CITY COUNCIL REGULAR MEETING AGENDA

CITY COUNCIL CHAMBERS, CITY HALL
7351 ROSANNA STREET, GILROY, CA
95020

AMENDED AGENDA – ADDED ITEM 7.1

MONDAY, APRIL 6, 2026 | 6:00 PM

CITY COUNCIL PACKET MATERIALS ARE AVAILABLE ONLINE AT www.cityofgilroy.org
AGENDA CLOSING TIME IS 5:00 P.M. THE TUESDAY PRIOR TO THE MEETING

MAYOR
Greg Bozzo

COUNCIL MEMBERS
Dion Bracco
Tom Cline
Terence Fugazzi
Zach Hilton
Carol Marques
Kelly Ramirez

COMMENTS BY THE PUBLIC WILL BE TAKEN ON AGENDA ITEMS BEFORE ACTION IS TAKEN BY THE CITY COUNCIL. Public testimony is subject to reasonable regulations, including but not limited to time restrictions for each individual speaker. *****Please limit your comments to 3 minutes.*** The amount of time allowed per speaker may vary at the Mayor's discretion depending on the number of speakers and length of the agenda.**

Written comments on any agenda item may be emailed to the City Clerk's Office at publiccomment@cityofgilroy.org or mailed to the Gilroy City Clerk's Office at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the City Clerk's Office by 1 p.m. on the day of a Council meeting will be distributed to the City Council prior to or at the meeting and available for public inspection with the agenda packet located in the lobby of Administration at City Hall, 7351 Rosanna Street prior to the meeting. Any correspondence received will be incorporated into the meeting record. Items received after the 1 p.m. deadline will be provided to the City Council as soon as practicable. Written comments are also available on the City's Public Records Portal at bit.ly/3NuS1IN.

In compliance with the Americans with Disabilities Act, the City will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at least 72 hours prior to the meeting at (408) 846-0204 or cityclerk@cityofgilroy.org to help ensure that reasonable arrangements can be made.

If you challenge any planning or land use decision made at this meeting in court, you may be limited to raising only those issues you or someone else raised at the public hearing held at this meeting, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Please take notice that the time within which to seek judicial review of any final administrative determination reached at this meeting is governed by Section 1094.6 of the California Code of Civil Procedure.

A Closed Session may be called during this meeting pursuant to Government Code Section 54956.9 (d)(2) if a point has been reached where, in the opinion of the legislative body of the City on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the City.

Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available with the agenda packet on the City website at www.cityofgilroy.org subject to the Staff's ability to post the documents before the meeting.

KNOW YOUR RIGHTS UNDER THE GILROY OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, task forces, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE, TO RECEIVE A FREE COPY OF THE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE OPEN GOVERNMENT COMMISSION STAFF AT (408) 846-0204.

If you need assistance with translation and would like to speak during public comment, please contact the City Clerk a minimum of 72 hours prior to the meeting at 408-846-0204 or e-mail the City Clerk's Office at cityclerk@cityofgilroy.org.

Si necesita un intérprete durante la junta y gustaría dar un comentario público, comuníquese con el Secretario de la Ciudad un mínimo de 72 horas antes de la junta al 408-846-0204 o envíe un correo electrónico a la Oficina del Secretario de la Ciudad a cityclerk@cityofgilroy.org.

To access written translation during the meeting, please scan the QR Code or click this link:

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Choose Language and Click Attend | Seleccione su lenguaje y haga clic en asistir

Use a headset on your phone for audio or read the transcript on your device.

Use sus auriculares para escuchar el audio o leer la transcripción en el dispositivo.

The agenda for this regular meeting is outlined as follows:

1. OPENING

1.1. Call to Order

1.2. Roll Call

1.3. City Clerk's Report on Posting the Agenda

1.4. Pledge of Allegiance

1.5. Invocation

1.6. Orders of the Day

1.7. Employee Introductions

2. CEREMONIAL ITEMS - Proclamations and Awards

2.1. Fair Housing Month Proclamation

3. PRESENTATIONS TO THE COUNCIL

3.1. Presentation of the Annual Report for the Gilroy Elevate the Arts Program by Silicon Valley Creates

3.2. PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL

This portion of the meeting is reserved for persons desiring to address the Council on matters within the Gilroy City Council's jurisdiction but not on the agenda. Persons wishing to address the Council are requested to complete a Speaker's Card located at the entrances and handed to the City Clerk. Speakers are limited to 1 to 3 minutes each, varying at the Mayor's discretion depending on the number of speakers and length of the agenda. The law does not permit Council action or extended discussion of any item not on the agenda except under special circumstances. If Council action is requested, the Council may place the matter on a future agenda.

Written comments to address the Council on matters not on this agenda may be e-mailed to the City Clerk's Office at publiccomment@cityofgilroy.org or mailed to the Gilroy City Clerk's Office at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the City Clerk's Office by 1:00 pm on the day of a Council meeting will be distributed to the City Council prior to or at the meeting and available for public inspection with the agenda packet located in the lobby of Administration at City Hall, 7351 Rosanna Street, prior to the meeting. Any correspondence received will be incorporated into the meeting record. Items received after the 1:00pm deadline will be provided to the City Council as soon as practicable. Written material provided by public members under this section of the agenda will be limited to 10 pages in hard copy. An unlimited amount of material may be provided electronically.

4. REPORTS OF COUNCIL MEMBERS

Council Member Bracco – Downtown Committee, Santa Clara County Library Joint Powers Authority, Santa Clara Water Commission, Santa Clara Valley Water Joint Water Resources Committee, SCRWA

Council Member Fugazzi – Santa Clara Water Commission (alternate), Silicon Valley Regional Interoperability Authority Board (alternate), SCRWA, Visit Gilroy California Welcome Center, VTA Mobility Partnership Committee

Council Member Marques – ABAG, Downtown Committee, Santa Clara County Library Joint Powers Authority (alternate), Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, SCRWA (alternate)

Council Member Hilton – CalTrain Policy Group, Santa Clara County Expressway Plan 2040 Advisory Board (alternate), Silicon Valley Clean Energy Authority JPA Board, South County Youth Task Force Policy Team, VTA Policy Advisory Committee

Council Member Ramirez – ABAG (alternate), Gilroy Gardens Board of Directors (alternate), Gilroy Sister Cities, Gilroy Youth Task Force (alternate), SCRWA, Santa Clara Housing and Community Development Advisory Committee

Council Member Cline – CalTrain Policy Group (alternate), Gilroy Sister Cities (alternate), Gilroy Youth Task Force, Santa Clara County Expressway Plan 2040 Advisory Board, Silicon Valley Clean Energy Authority JPA Board (alternate), Silicon Valley Regional Interoperability Authority Board, Visit Gilroy California Welcome Center (alternate), VTA Mobility Partnership Committee, VTA Policy Advisory Committee (alternate)

Mayor Bozzo – Gilroy Gardens Board of Directors, Santa Clara Valley Water Joint Water Resources Committee, South County Youth Task Force Policy Team, VTA Board of Directors (alternate), Santa Clara Housing and Community Development Advisory Committee (alternate)

5. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a request is made by a member of the City Council or a member of the public. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar prior to the time the City Council votes to approve. If removed, the item will be discussed in the order in which it appears.

5.1. Approve the March 7, 2026 Coffee with the Mayor and the March 16, 2026 City Council Regular Meeting minutes

5.2. Approval of the Update to the Gilroy Conflict of Interest Code During Its Biennial Review

5.3. Approve Property Improvement Agreement No. 2026-02, for Data Center Phase 1 Offsite Improvements, APN 841-69-044

5.4. Claim of Christina Johnson (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)

5.5. Approve budget amendment and contract amendment to cover change orders on the purchase of a replacement Type III fire engine from BME Fire Trucks, LLC.

5.6. Notice of Completion for the FY25 Citywide Pavement Rehabilitation Project No. 25-PW-295 and Approval of a Final Contract Amount of $6,911,105.66

5.7. Consent the City Administrator's Recommendation to Appoint Harjot Sangha to the Department Head Position of Assistant City Administrator

6. BIDS AND PROPOSALS

6.1. Council Award a Contract to Pros Consulting for the Recreation Division Assessment in the Amount of $372,690 and Adopt a Resolution Amending the Fiscal Year 2026 Budget in the Recreation Fund

1. Staff Report:
   Bryce Atkins, Deputy Director of Community Development
2. Public Comment
3. Possible Action:
   Council:

   1. Award the contract to Pros Consulting and authorize the City Administrator to execute the agreement; and
   2. Adopt the attached budget amendment resolution.

6.2. Award Four, Three-Year On-Call Standard and Expedited Building and Fire Plan Review and Inspection Services Contracts with Two, One-Year Extension Options and Each Contract with an Amount Not-To-Exceed $2,000,000 to 4LEAF, CSG Consultants, TRB+ Associates, and True North Compliance Services

1. Staff Report:
   Sharon Goei, Community Development Director
2. Public Comment
3. Possible Action:
   Award agreements in an amount not-to-exceed $2,000,000 each with:

   - 4LEAF
   - CSG Consultants
   - TRB+ Associates
   - True North Compliance Services

   to provide standard and expedited on-call Building and Fire plan review and inspection services for the initial period of July 1, 2026 to June 30, 2029, with two, one-year extension options, and authorize the City Administrator to execute these agreements.

7. INTRODUCTION OF NEW BUSINESS

7.1. Proposed High Speed Rail Tax Increment Financing

1. Staff Report:
   Matt Morley, City Administrator
2. Public Comment

3. Possible Action:
   Authorize the Mayor to sign a Letter of Opposition to the High Speed Rail Authority's Tax Increment financing proposal.

7.2. Receive Draft Community Development Block Grant Program Year 2026-2027 Annual Action Plan and Draft Citizen Participation Plan and Provide Direction on CDBG PY 2026-2027 Funding Allocations

1. Staff Report:
   Sharon Goei, Community Development Director
2. Public Comment
3. Possible Action:
   Receive draft Community Development Block Grant (CDBG) Program Year (PY) 2026-2027 Annual Action Plan (AAP) and draft Citizen Participation Plan (CPP) and provide direction on CDBG PY 2026-2027 funding allocations.

7.3. Acceptance of Fiscal Year 2024-25 Annual Comprehensive Financial Report (ACFR)

1. Staff Report:
   Harjot Sangha, Finance Director
2. Public Comment
3. Possible Action:
   Accept and file the report.

7.4. Council Consideration of Placing a Potential Sales Tax Ballot Measure for the November 2026 Election Ballot

1. Staff Report:
   Harjot Sangha, Finance Director
2. Public Comment
3. Possible Action:

   1. Council discussion and direction on whether to pursue the placement of a sales tax ballot measure before the Gilroy community for the 2026 General Election.
   2. If proceeding with placement, then determine whether to pursue it as general tax or special sales tax.

8. CITY ADMINISTRATOR'S REPORTS

9. CITY ATTORNEY'S REPORTS

10. CLOSED SESSION

10.1. Public Employee Appointment/Employment Pursuant to Government Code Section 54957 and Gilroy City Code Section 17A.11(2)
Name/Title: Finance Director

11. ADJOURN TO OPEN SESSION

12. ADJOURNMENT

City of Gilroy

Proclamation

WHEREAS, adequate housing is a basic need and right of all people; and

WHEREAS, this year we celebrate the 58th Anniversary of the enactment of the Federal Fair Housing Act of 1968 (Title VIII of the Civil Rights Act), which states that discrimination in the sale and rental of housing is illegal when based on race, color, religion, sex or national origin; and

WHEREAS, the Fair Housing Amendments Act of 1988 extends fair housing rights on the basis of familial status to families with children, and on the basis of handicap to disabled persons; and

WHEREAS, California statutes additionally protect citizens on the basis of age, marital status, sexual orientation, gender identity and source of income; and California celebrates the 66th Anniversary of the Fair Employment and Housing Act (FEHA); and

WHEREAS, the City of Gilroy supports fair housing efforts to eliminate discrimination in housing and recognizes the benefits of Project Sentinel to educate home seekers, apartment managers, and apartment owners on federal and state housing laws, and to investigate complaints of illegal housing discrimination in Gilroy; and

WHEREAS, in order to heighten public awareness, the City of Gilroy wishes to focus public attention in April as Fair Housing Month.

NOW, THEREFORE, I, GREG BOZZO, Mayor of the City of Gilroy, do hereby proclaim the month of April 2026 as

FAIR HOUSING MONTH

and encourage all residents and community organizations to celebrate the value of harmonious and diverse communities of neighbors and to support the goal of equal housing opportunity for all people.

Greg Bozzo

Greg Bozzo, Mayor

Attested to by:

Kim Mancera

Kim Mancera, City Clerk

City of Gilroy
City Council
DRAFT
Minutes
Saturday, March 7, 2026 | 9:30 AM

1. OPENING

1. Call to Order

The meeting was called to order by Mayor Bozzo at 9:30 AM.

2. Roll Call

Attendance	Attendee Name
Present	Council Member Dion Bracco Council Member Tom Cline Council Member Terence Fugazzi Mayor Greg Bozzo

2. COFFEE WITH THE MAYOR

3. ADJOURNMENT

The Coffee with the Mayor event was adjourned at 10:30 AM.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the City Council of the City of Gilroy on XXXXXXX, 20XX.

Kim Mancera
City Clerk

DRAFT

City of Gilroy
City Council
DRAFT
Minutes
Monday, March 16, 2026 | 6:00 PM

1. OPENING

1. Call to Order

The meeting was called to order by Mayor Bozzo at 6:00 PM.

2. Roll Call

Attendance	Attendee Name
Present	Council Member Dion Bracco Council Member Tom Cline Council Member Terence Fugazzi Council Member Zach Hilton Council Member Carol Marques Council Member Kelly Ramirez Mayor Greg Bozzo

3. City Clerk's Report on Posting the Agenda

City Clerk Kim Mancera reported on the Posting of the Agenda.

4. Pledge of Allegiance

Council Member Bracco led the Pledge of Allegiance.

5. Invocation

Pastor Trevor Van Lar led the Invocation.

6. Orders of the Day

None.

7. Employee Introductions

Interim Utilities Director Karl Bjarke introduced Management Analyst Trainee Yeni Martinez and Utilities Operations Manager Tyson Enzweiler.

2. CEREMONIAL ITEMS - Proclamations and Awards

1. American Red Cross Month Proclamation

Mayor Bozzo presented the American Red Cross month proclamation to Camille McCormack.

3. PRESENTATIONS TO THE COUNCIL

1. Annual Presentation from the City Historian, Toby Echelberry

CIty Historian Toby Echelberry provided a presentation.

2. PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL

Mayor Bozzo opened public comment at 6:29 P.M.

DeLinda Yatskevich - commented on housing within Gilroy.

Makhan Gupta - commented and thanked the Mayor and City Council for discussing the homeless in the City of Gilroy and requested that they continue managing the unhoused.

Greg Felios - commented on how he wore a Gilroy Garlic Festival shirt to Disneyland and received many compliments and questions about the Festival.

With no further speakers, Mayor Bozzo closed public comment.

4. REPORTS OF COUNCIL MEMBERS

1. Council Member Bracco – Santa Clara County Library Joint Powers Authority, Santa Clara Water Commission, Santa Clara Valley Water Joint Water Resources Committee, SCRWA

Council Member Fugazzi – Santa Clara Water Commission (alternate), Silicon Valley Regional Interoperability Authority Board (alternate), SCRWA, Visit Gilroy California Welcome Center, VTA Mobility Partnership Committee

Council Member Marques – Gilroy Sister Cities, Santa Clara County Library Joint Powers Authority (alternate), Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, SCRWA (alternate)

Council Member Hilton – ABAG, CalTrain Policy Group (alternate), Santa Clara County Expressway Plan 2040 Advisory Board (alternate), Silicon Valley Clean Energy Authority JPA Board, South County Youth Task Force Policy Team, VTA Policy Advisory Committee

Council Member Ramirez – ABAG (alternate), Gilroy Gardens Board of Directors (alternate), Cities Association of Santa Clara County, Gilroy Youth Task Force (alternate), Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, SCRWA, Santa Clara Housing and Community Development Advisory Committee

Council Member Cline – CalTrain Policy Group (alternate), Gilroy Sister Cities (alternate), Gilroy Youth Task Force, Santa Clara County Expressway Plan 2040 Advisory Board, Silicon Valley Clean Energy Authority JPA Board (alternate), Silicon Valley Regional Interoperability Authority Board, Visit

Gilroy California Welcome Center (alternate), VTA Mobility Partnership Committee, VTA Policy Advisory Committee (alternate)

Mayor Bozzo – Gilroy Gardens Board of Directors, Santa Clara Valley Water Joint Water Resources Committee, South County Youth Task Force Policy Team, VTA Board of Directors (alternate), Santa Clara Housing and Community Development Advisory Committee (alternate), Cities Association of Santa Clara County (alternate)

Council Member Bracco - No report.

Council Member Fugazzi - No report.

Council Member Marques - Reported that she is the City liaison for the Gilroy Sister Cities. They had their fundraiser at the Portuguese Hall.

Council Member Hilton - Reported from the Valley Transportation (VTA) Policy Advisory Committee, which is developing a local investment plan focused on road ridership, increased productivity, and enhancing the customer experience. He reported from Silicon Valley Clean Energy (SVCE) that the board approved an additional $6 million for the home rebates program and also approved adding a policy in support of nuclear investigation and development. He also shared that, in celebration of Read Across America, he volunteered his time to read to students at El Roble Elementary and Lugia Aprea Elementary. In addition, he shared how the Gilroy Police Department, Gilroy Unified School District, Gilroy Parks & Recreation Commission, and other partners will be hosting an E-Bike traffic safety pedestrian awareness forum at Brownell Middle School on March 27th from 5:30 pm-7:30 pm

Council Member Ramirez - Reported that she participated in Read Across America and volunteered her time reading to students at Eliot Elementary. She will be attending a Cal Cities Housing Community and Economic Development Committee Meeting. She also attended the Cities Association of Santa Clara County, where they discussed ALPRs.

Council Member Cline - Reported that he attended the Sister Cities banquet fundraiser. He attended and participated in Rock the Mock at Gilroy High School. He also participated in the dunk tank at the opening day of Little League in Gilroy.

Mayor Bozzo - Reported from the Gilroy Gardens Board of Directors that Gilroy Gardens is about 80% through its seasonal hiring, which provides 400 jobs to the community.

5. BOARD AND COMMISSION INTERVIEWS

1. Interviews and Appointments to the Arts and Culture Commission

City Clerk Kim Mancera proceeded with the interviews and appointments.

The following applicants were interviewed for the Arts and Culture Commission.

Subul Siddiqui
Meena Vijaykar
Rabia Shahid

The following applicants were selected by the City Council to serve a partial term ending December 31, 2027.

Subul Siddiqui
Rabia Shahid

6. CONSENT CALENDAR

City Clerk Kim Mancera announced that there was a change to Item 6.2 - Notice of Completion for the FY26 CDBG Sidewalk and Curb Ramp Project No. 26-PW-303 and Approval of the Final Contract Amount of $152,974.00. The contractor has clarified the final contract amount which is now $154,979.13, leaving a remaining balance of $21,211.01 to go back into the City's CDBG Fund.

Mayor Bozzo opened public comment at 6:55 P.M.

With no speakers, Mayor Bozzo closed public comment.

Motion
Approve the consent calendar.

RESULT:	**Passed**
MOVER:	Council Member Dion Bracco
SECONDER:	Council Member Tom Cline
AYES:	Council Member Dion Bracco, Council Member Tom Cline, Council Member Terence Fugazzi, Council Member Zach Hilton, Council Member Carol Marques, Council Member Kelly Ramirez, Mayor Greg Bozzo
NAYS:	None
ABSENT:	None

1. **Approve the February 23, 2026 and the March 2, 2026 City Council Regular Meeting Minutes**

2. **Notice of Completion for the FY26 CDBG Sidewalk and Curb Ramp Project No. 26-PW-303 and Approval of a Final Contract Amount of $152,974.00**

3. **Resolution Establishing Operating Hours for City-Owned Public Off-Street Parking Lots**

4. **Claim of Alejandrina Castro (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)**

5. **Claim of Isabel Parra (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute a denial of the claim)**

6. **Approve Final Map and Property Improvement Agreement No. 2026-03 for Eagle Garden Development, Tract 10500, APN's 808-01-021, 808-01-022, and**

808-01-023

7. Council Approval of Council Member Ramirez's Travel Reimbursement for the League of California Cities Housing, Community and Economic Development Policy Committee meeting

7. BIDS AND PROPOSALS

1. Award a Contract to Storm Water Inspection & Maintenance Services Inc. / An Apex Company for the State Trash Amendments Stormwater Compliance Project No. 800460 in the amount of $143,370

Environmental Programs Manager Mark Johnson provided a report and presentation.

Mayor Bozzo opened public comment at 6:58 P.M.

With no speakers, Mayor Bozzo closed public comment.

Motion
Adopt a resolution amending the Fiscal Year 2026 Capital Budget by appropriating $157,707 from Fund 422 to Capital Project No. 800460.

RESULT:	**Passed**
MOVER:	Council Member Carol Marques
SECONDER:	Council Member Kelly Ramirez
AYES:	Council Member Dion Bracco, Council Member Tom Cline, Council Member Terence Fugazzi, Council Member Zach Hilton, Council Member Carol Marques, Council Member Kelly Ramirez, Mayor Greg Bozzo
NAYS:	None
ABSENT:	None

Motion
Award a contract in the amount of $143,370 to Storm Water Inspection & Maintenance Services Inc. / An Apex Company for FY26 Small Trash Capture Devices Project No. 800460, approve a contingency of $14,337, and Authorize the City Administrator to execute the contract and associated documents.

RESULT:	**Passed**
MOVER:	Council Member Carol Marques
SECONDER:	Council Member Kelly Ramirez
AYES:	Council Member Dion Bracco, Council Member Tom Cline, Council Member Terence Fugazzi, Council Member Zach Hilton, Council Member Carol Marques, Council Member Kelly Ramirez, Mayor Greg Bozzo
ABSENT:	None

8. UNFINISHED BUSINESS

1. Consideration of a Community Event Support Program Policy

Economic Development Director Raissa De la Rosa provided a report and presentation.

Mayor Bozzo opened public comment at 7:23 P.M.

With no speakers, Mayor Bozzo closed public comment.

Motion
Adopt a resolution establishing a Community Event Support Program Policy formalizing a non-profit subsidy program for community special events and authorize staff to implement the FY 2026-27 cycle using the updated timeline, review considerations, and reporting requirements.

RESULT:	**Passed**
MOVER:	Council Member Tom Cline
SECONDER:	Council Member Kelly Ramirez
AYES:	Council Member Dion Bracco, Council Member Tom Cline, Council Member Terence Fugazzi, Council Member Zach Hilton, Council Member Carol Marques, Council Member Kelly Ramirez, Mayor Greg Bozzo
NAYS:	None
ABSENT:	None

9. INTRODUCTION OF NEW BUSINESS

1. Fiscal Year (FY) 2026 Q2 Quarterly Budget and General Fund Forecast Update and Adoption of Resolutions Amending the Budget and Updating the Position Control List

Finance Director Harjot Sangha provided a report and presentation.

Mayor Bozzo opened public comment at 7:46 P.M.

Ron Kirkish - commented on the maintenance and repair of our streets to be considered in the workplan and budget.

With no further speakers, Mayor Bozzo closed public comment.

Motion
Receive Budget Report for the Second Quarter of Fiscal Year 2025-26 (FY26), adopt a resolution approving the updated Position Control List for Fiscal Years 2025-2026 and 2026-2027 and adopt a budget amendment resolution.

RESULT:	**Passed**
MOVER:	Council Member Terence Fugazzi
SECONDER:	Council Member Kelly Ramirez

AYES: Council Member Dion Bracco, Council Member Tom Cline, Council Member Terence Fugazzi, Council Member Zach Hilton, Council Member Carol Marques, Council Member Kelly Ramirez, Mayor Greg Bozzo
NAYS: None
ABSENT: None

2. 2025 General Plan and Housing Element Annual Progress Report

Community Development Director Sharon Goei, Planning Manager Michael Fossati and Housing and Community Services Manager Christie Thomas provided a report and presentation.

Mayor Bozzo opened public comment at 8:18 P.M.

Ron Kirkish - commented on the extremely low income (ELI) and that the State and Counties need to get involved.

With no further speakers, Mayor Bozzo closed public comment.

Motion
Accept the report and direct staff to submit the 2025 Annual Progress Report to the California Department of Housing and Community Development and the Governor's Office of Land Use and Climate Innovation, no later than April 1, 2026.

RESULT: **Passed**
MOVER: Council Member Zach Hilton
SECONDER: Council Member Kelly Ramirez
AYES: Council Member Dion Bracco, Council Member Tom Cline, Council Member Terence Fugazzi, Council Member Zach Hilton, Council Member Carol Marques, Council Member Kelly Ramirez, Mayor Greg Bozzo
NAYS: None
ABSENT: None

10. FUTURE COUNCIL INITIATED AGENDA ITEMS

1. Request to Direct Staff to Provide Council with Options regarding the Addition of Public Hearings to the Architectural and Site Review Permit Process (FAIR Memo - Marques & Ramirez)

Planning Manager Michael Fossati provided a report and presentation.

Mayor Bozzo opened public comment at P.M.

Landon Sepulveda - commented on the data center and voiced that he is against it.

Ron Kirkish - commented on the data center and that there is plenty of water to

supply it.

With no further speakers, Mayor Bozzo closed public comment.

Motion
Council consideration of a future agenda item directing staff to return to Council with options regarding the addition of public hearings to the Architectural and Site Review Permit process.

RESULT:	**Passed**
MOVER:	Council Member Kelly Ramirez
SECONDER:	Council Member Carol Marques
AYES:	Council Member Tom Cline, Council Member Zach Hilton, Council Member Carol Marques, Council Member Kelly Ramirez, Mayor Greg Bozzo
NAYS:	Council Member Dion Bracco, Council Member Terence Fugazzi
ABSENT:	None

11. CITY ADMINISTRATOR'S REPORTS

City Administrator Matt Morley mentioned that he met with CMAP. He also had the opportunity to meet with County Health to discuss community health and pedestrian and E-Bike safety. He met with Gilroy Gardens to discuss contract negotiations and plans to meet with Sharks Ice by the end of the month.

12. CITY ATTORNEY'S REPORTS

No report.

13. ADJOURNMENT

With no additional business before the Council, the meeting was adjourned at 8:35 P.M

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the City Council of the City of Gilroy on XXXXXXX, 20XX.

Kim Mancera
City Clerk

DRAFT

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Approval of the Update to the Gilroy Conflict of Interest Code During Its Biennial Review**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Administration
Submitted by:	Kim Mancera, City Clerk
Prepared by:	Kim Mancera, City Clerk

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Adopt a resolution of the City Council of the City of Gilroy in review of the Gilroy Conflict of Interest Code pursuant to its biennial review.

EXECUTIVE SUMMARY

BACKGROUND

The City of Gilroy has adopted the terms of California Code of Regulations, Regulation 18730 and amendments, as the Conflict of Interest ("COI") Code of the City of Gilroy pursuant to the California Political Reform Act. The Political Reform Act requires each agency to update its COI Code biennially, each even year, if necessary, to ensure that the local code accurately designates all positions that make or participate in the making of governmental decisions, and that the disclosure categories assigned to those positions accurately obligates the filer to disclose all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions they make in their position. The COI Code must reflect the current structure of the organization and properly identify the titles of those who should be filing Statements of Economic Interests (Form 700). The COI Code tells the

designated filers which financial interests they must disclose and helps provide transparency in local government as required under the Political Reform Act.

State law requires that all changes be submitted to the code reviewing body, in this case the City Council, for approval as an amendment to the COI Code.

ANALYSIS

If a position requires an employee to: manage public investments; negotiate, without significant substantive review, with a governmental entity or private person regarding a governmental decision; approve a rate, rule or regulation; issue, deny, suspend or revoke a permit, license, or similar authorization or entitlement; or advise or make recommendations to the decision maker either directly or without significant intervening substantive review, by: (1) conducting research or making any investigation which requires the exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision; or (2) preparing or presenting any report, analysis, or opinion, orally, or in writing, which requires the exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision referenced in Title 2, California Code of Regulations, section 18701(a)(2)(A), then the position shall be included as a designated position in the agency's conflict of interest code.

The Three Components of a Conflict of Interest Code include:

1. Incorporation Section (Terms of the Code) - This section designates where the Form 700s are filed and retained (i.e., the agency or the FPPC). This section also must reference Regulation 18730, which provides the rules for disqualification procedures, reporting financial interests, and references the current gift limit.
2. List of Designated Positions - The code must list all agency positions that involve the making or participation in making of decisions that "may foreseeably have a material effect on any financial interest." This covers agency members, officers, and employees, and it may include volunteers on a committee if the members make or participate in making government decisions.
3. Detailed Disclosure Categories - A disclosure category is a description of the types of financial interests that officials in one or more job classifications must disclose on their Form 700 filings. The categories must be tailored to the financial interests affected and must not require public officials to disclose private financial information that does not relate to their public employment.

The City Council last amended the Conflict of Interest Code on September 16, 2024. Staff has reviewed the positions covered by the Conflict of Interest Code with the Human Resources Director/Risk Manager and City Administrator to ensure that the appropriate positions are covered. Due to the addition of several new positions, the determination was made to bring this to the City Council for review in April 2026. The

COI Code is amended to reflect the following actions that are taken, if needed:

1. Add new position classifications that should be incorporated into the code.
2. Delete titles of positions within departments that were subject to the code, but upon examination of duties within the department should not be subject to the code.
3. Delete titles of positions that have been eliminated.
4. Update the titles of positions subject to the code that have been revised.

If additional new or revised classifications, deemed likely to be subject to the Code, are established before the next formal adoption of a revised Code, the City is required to file a Form 804 Agency Report for those new/revised classifications. Staff in those new/revised classifications will be required to complete a Form 700, reporting the disclosure requirement reflected on the Form 804, even if the Code itself has not been formally revised to incorporate the positions.

The following positions were removed in the latest COI Code upon further examination of the duties are not subject to the code:

- Building Board of Appeals Members
- Parks and Recreation Commission Members
- Special Assistant to City Administrator
- Engineer I/II
- Facilities/Fleet Superintendent
- Management Analyst
- Network Administrator

The following positions have been retitled in the latest COI Code (Disclosure Category remains unchanged):

- Hazardous Materials Supervisor / Deputy Fire Marshal → Fire Marshal
- Administrative Services and HR Director/Risk Manager → Human Resources Director/Risk Manager
- Environmental Engineer → Senior Environmental Engineer
- Senior Engineer → Senior Civil Engineer

The following positions have been added in the latest COI Code:

- Assistant City Administrator
- Economic Development Director
- Deputy Director of Community Development

- Utilities Operations Manager

The proposed new City of Gilroy COI Code is attached as Exhibit A to the resolution.

ALTERNATIVES

N/A

FISCAL IMPACT/FUNDING SOURCE

There is no fiscal impact.

PUBLIC OUTREACH

NEXT STEPS

Staff recommends the Council adopt the update to the City conflict of interest code.

Attachments:

1. DRAFT Annual Conflict of Interest Code - 2026 - Redline Version

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY IN REVIEW OF THE CITY OF GILROY CONFLICT OF INTEREST CODE PURSUANT TO ITS BIENNIAL REVIEW

WHEREAS, the Political Reform Act ("Act"), Government Code Section 81000 *et seq.*, requires state and local agencies to adopt and promulgate conflict of interest codes, and the City of Gilroy ("City") is an agency subject to this statute; and

WHEREAS, the City's Code incorporates by reference the terms of Title 2 of the California Code of Regulations section 18730, and any amendments to it that have been duly adopted by the Fair Political Practices Commission, and contains appendices designating officials and employees and establishing disclosure categories, as shown below; and

WHEREAS, upon biennial review of the existing Code, it has been deemed necessary to bring the Code up to date by adding and deleting positions, correcting position titles, and revising disclosure categories assigned to designated positions/employees as needed.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Gilroy does hereby amend the City of Gilroy Conflict of Interest Code and adopts the amended City of Gilroy Conflict of Interest Code, attached as "Exhibit A".

PASSED AND ADOPTED by the City Council of the City of Gilroy at a regular meeting duly held on the 6th day of April, 2026 by the following roll call vote:

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

APPROVED:

_____
Greg Bozzo, Mayor

ATTEST:

_____
Kim Mancera, City Clerk

CERTIFICATE OF THE CLERK

I, **KIM MANCERA**, City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2026-XX** is an original resolution, or true and correct copy of a City Resolution, duly adopted by the Council of the City of Gilroy at a Regular Meeting of said Council held on **Monday, April 6, 2026**, with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **Tuesday, XXXXX**

_____
Kim Mancera
City Clerk of the City of Gilroy

EXHIBIT A

POSITIONS DESIGNATED BY STATUTE (87200)

POSITION	DISCLOSURE CATEGORY
City Council Member	1
Planning Commission Member	1
City Administrator (Manager)	1
City Attorney	1
City Treasurer	1
Finance Director	1

DESIGNATED POSITIONS

DESIGNATED POSITIONS	DISCLOSURE CATEGORY
~~Administrative Services and Juan~~ Human Resources Director/Risk Manager	1
Assistant City Attorney	1
Assistant City Administrator	
Assistant to City Administrator	1
~~Special Assistant to City Administrator~~	~~1~~
~~Building Board of Appeals Members~~	~~1~~
Building Official	4
Casual Employees performing work similar to designated positions*	
Chief of Police	1
City Clerk	1
City Engineer/Transportation Engineer	1
Community Development Director	1
Consultants*	1
Deputy Director of Community Development	1
Deputy Director of Public Works – Operations	1
Economic Development Director	1
Economic Development Manager	1
~~Engineer I/II~~	~~3~~
Senior Environmental Engineer	3
Environmental Programs Manager	2
~~Facilities / Fleet Superintendent~~	~~3~~
Finance Analyst	1
Financial Director	2
Finance Manager	
Fire Chief	1
Fire Division Chief	3
~~Hazardous Material Supervisor/Deputy Fire Marshall~~ Fire Marshal	4
Housing and Community Services Manager	1
Information Technology Manager	3
~~Management Analyst~~	~~2~~
~~Network Administrator~~	~~3~~
~~Parks and Recreation Commission Members~~	~~1~~
Planning Manager	1
Police Captain	2

EXHIBIT A

Public Works Director	1
Recreation Manager	2
Retired Annuitants**	1
Senior Civil Engineer	4
Senior Management Analyst	2
Utilities Business Manager	1
Utilities Director	1
Utilities Operations Manager	1

EXHIBIT A

*Consultants shall be designated on a case-by-case basis, depending upon the nature of their services. Consultants are included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The City Administrator may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Administrator's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. All agreements with a consultant, whether or not such consultant is required to file a disclosure statement in accordance with this resolution, shall contain a certification by the consultant that no conflict of interest exists in connection with the contract being entered into between the consultant and the City.

**Retired annuitants may be included in the list of designated employees when the City Administrator, or his or her designee, determines that they are performing work that is the functional equivalent of a designated position. If such a determination is made, then disclosure shall be pursuant to the disclosure category required by this Code for the comparable designated staff position.

CITY OF GILROY CONFLICT OF INTEREST CODE
DISCLOSURE CATEGORIES

Category 1:
All designated employees in this category shall disclose all sources of income, all interests in real property in the City of Gilroy, all investments and all business positions in business entities in which he or she is a director, officer, partner, trustee or employee or holds any position of management.

Category 2:
All designated employees in this category shall disclose investments, business positions and sources of income from business entities which provide services, supplies, materials, machinery or equipment of the type utilized by the City of Gilroy.

Category 3:
All designated employees in this category shall disclose investments, business positions and sources of income from business entities which provide services, supplies, materials, machinery or equipment of the type utilized by the designated employee's department or division.

Category 4
All designated employees in this category shall disclose all investments, business positions, and sources of income from business entities, which engage in land development, construction or the acquisition or sale of real property, and all interests in real property in the City of Gilroy.

CITY OF GILROY CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix [or Appendices], designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the City of Gilroy ("City").

Individuals holding designated positions shall file their statements of economic interests with the City, which will make the statements available for public inspection and reproduction (Gov. Code Sec. 81008). Upon receipt of the statements for those designated in the Political Reform Act as 87200 filers (i.e. mayors and city council members, city managers, city attorneys, city treasurers, and members of planning commissions), the City shall make and retain copies and forward the originals to the Fair Political Practices Commission. All other statements will be retained by the City.

The following designated position classifications are required to file Statements of Economic Interests pursuant to the Political Reform Act of 1974, as amended, and are hereby included in the City of Gilroy's Conflict of Interest Code.

POSITIONS DESIGNATED BY STATUTE GOVERNMENT CODE §87200 ***The following positions are NOT covered by the code because they must file under Government Code §87200 and are listed for information purposes only.***	
POSITION	**DISCLOSURE CATEGORY**
Mayor	1
City Council Member	1
Planning Commissioner	1
City Administrator (Manager)	1
City Attorney	1
City Treasurer	1
Finance Director	1

DESIGNATED POSITIONS

CITY ADMINISTRATION	
POSITION	**DISCLOSURE CATEGORY**
Assistant City Administrator	1
Assistant to City ~~Manager~~Administrator	1
~~Special Assistant to City Manager~~	~~1~~
City Clerk	1
~~Management Analyst~~	~~2~~
Senior Management Analyst	2

CITY ATTORNEY	
POSITION	**DISCLOSURE CATEGORY**
Assistant City Attorney	1

COMMUNITY DEVELOPMENT	
POSITION	**DISCLOSURE CATEGORY**
Community Development Director	1
Deputy Director of Community Development	1
Building Official	4
~~Hazardous Material Supervisor/Deputy~~ Fire Marshal	4
Housing and Community Services Manager	1
~~Management Analyst~~	~~2~~
Planning Manager	1

ECONOMIC DEVELOPMENT	
POSITION	**DISCLOSURE CATEGORY**
Economic Development Director	1
Economic Development Manager	1

FINANCE	
POSITION	**DISCLOSURE CATEGORY**
Finance Director	1
Finance Manager	1
Financial Analyst	1
~~Management Analyst~~	~~2~~
Senior Management Analyst	2
Information Technology Manager	3

FIRE	
POSITION	**DISCLOSURE CATEGORY**
Fire Chief	1
Fire Division Chief	3
~~Management Analyst~~	~~2~~

POLICE	
POSITION	**DISCLOSURE CATEGORY**
Chief of Police	1
~~Management Analyst~~	~~2~~
Police Captain	2

PUBLIC WORKS	
POSITION	**DISCLOSURE CATEGORY**
Public Works Director	1
Deputy Director of Public Works – Operations	1

City Engineer/Transportation Engineer	1
Environmental Programs Manager	2
~~Management Analyst~~	~~2~~
Senior Civil Engineer	4
Senior Management Analyst	2

ADMINISTRATIVE SERVICES	
POSITION	**DISCLOSURE CATEGORY**
~~Administrative Services and~~ Human Resources Director / Risk Manager	1
~~Facilities/ Fleet Superintendent~~	~~3~~
~~Information Technology Manager~~	~~3~~
~~Management Analyst~~	~~2~~
~~Network Administrator~~	~~3~~

RECREATION	
POSITION	**DISCLOSURE CATEGORY**
Recreation Manager	2
~~Management Analyst~~	~~2~~

UTILITIES DEPARTMENT	
POSITION	**DISCLOSURE CATEGORY**
Utilities Director	1
Senior Environmental Engineer	3
~~Engineer I/II~~	~~3~~
~~Management Analyst~~	~~2~~
Senior Civil Engineer	4
Utilities Business Manager	1
Utilities Operations Manager	1

OTHERS	
POSITION	**DISCLOSURE CATEGORY**
Consultants*	1
Casual Employees performing work similar to a designated position*	1
Retired Annuitants**	1

CITY OF GILROY
CONFLICT OF INTEREST CODE
DISCLOSURE CATEGORIES

Category 1:
All designated employees in this category shall disclose all sources of income, all interests in real property in the City of Gilroy, all investments and all business positions in business entities in which he or she is a director, officer, partner, trustee or employee or holds any position of management.

Category 2:
All designated employees in this category shall disclose investments, business positions and sources of income from business entities which provide services, supplies, materials, machinery or equipment of the type utilized by the City of Gilroy.

Category 3:
All designated employees in this category shall disclose investments, business positions and sources of income from business entities which provide services, supplies, materials, machinery or equipment of the type utilized by the designated employee's department or division.

Category 4:
All designated employees in this category shall disclose all investments, business positions and sources of income from business entities which engage in land development, construction or the acquisition or sale of real property, and all interests in real property in the City of Gilroy.

*Consultants and/or Casual employees are included in the list of designated positions and shall be designated on a case-by-case basis, depending upon the nature of their services and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The City Administrator may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Administrator's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. All agreements with a consultant, whether or not such consultant is required to file a disclosure statement in accordance with this resolution, shall contain a certification by the consultant that no conflict of interest exists in connection with the contract being entered into between the consultant and the City.

**Retired annuitants may be included in the list of designated employees when the City Administrator, or his or her designee, determines that they are performing work that is the functional equivalent of a designated position. If such a determination is made, then disclosure shall be pursuant to the disclosure category required by this Code for the comparable designated staff position.

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Approve Property Improvement Agreement No. 2026-02, for Data Center Phase 1 Offsite Improvements, APN 841-69-044**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Public Works
Submitted by:	John Doughty, Public Works Director
Prepared by:	Jorge Duran, Senior Civil Engineer

STRATEGIC PLAN GOALS: Maintain and Improve City Infrastructure

RECOMMENDATION

Approve Property Improvement Agreement No. 2026-02 for Data Center Phase 1 Offsite Improvements, APN 841-69-044.

EXECUTIVE SUMMARY

The City required the design and construction of public roadway and related improvements on Camino Arroyo in conjunction with the Gilroy Data Center project located at 8050 Camino Arroyo. Public Improvements include construction of a new roundabout. A Property Improvement Agreement is required where any project is planning to construct public improvements which are subject to subsequent City acceptance. The action requested authorizes critical roadway safety enhancements and security to ensure completion of work according to the plan and specifications. This work will be paid for and constructed by the site contractor to the benefit of the City.

BACKGROUND

On July 3, 2025, the Architectural and Site Review Permit (AS 20-23) for the Gilroy Data Center project located at 8050 Camino Arroyo (APN: 841-69-044) was approved by the Community Development Director. The project proposal was initially filed in 2020 by Amazon Web Services, Inc (AWS). The AWS project aims to develop a 56-acre vacant

site, previously used for agricultural operations, into a data center campus, and introduces new construction to the site which triggered an Architectural and Site Permit application. The approved permit allows the construction of a 438,500 square feet data center campus on the 56-acre undeveloped parcel and is located at the southeast end of Arroyo Circle. The 56-acre project site is located at the southeast end of Arroyo Circle and is adjacent to developed areas including the Gilroy Premium Outlets, Kaiser Permanente, and U.S. 101 to the north, south, and west, respectively.

The project will be constructed in two phases. The Phase I, Building 1 data center building is approximately 218,000 square feet. Phase 1 will also include a 2,500 square feet security building.

The project site is located between the two termini of Camino Arroyo, which abut the northern and southern borders of the project site. Access to the project site on the north would be provided by a new driveway at the end of an existing cul-de-sac at the terminus of Camino Arroyo. Access to the project on the south would be provided by a new driveway and new roundabout at the intersection of Camino Arroyo and Arroyo Circle. Per conditions of approval, offsite public improvements require AWS to enter into a property improvement agreement (PIA) with the City.

ANALYSIS

The Developer is requesting the City Council to approve and enter into a Property Improvement Agreement (PIA 2026-02) for the project's Public Improvements. The Public Improvements include a new roundabout consisting of new street pavement widening, pavement repairs, pavement grinding and paving, microsurface pavement treatment, grading, signing, striping, curb ramps, curb, gutter, sidewalk, lighting, joint trench, landscaping, storm drain, water, sanitary sewer, stormwater management facilities, existing signal modifications, and necessary utility extension and connection to serve the development. As part of the Property Improvement Agreement, the Developer is required to provide Faithful Performance and Payment Bonds of $3,483,400 for 100% of the estimated construction cost of the improvements.

PIA 2026-02 is ready for recording with Santa Clara County upon approval by Council.

ALTERNATIVES

Council has the following options with respect to this request by the developer:

1. Council may enter into PIA 2026-02 for development of offsite improvements. STAFF RECOMMENDS THIS OPTION as it is important to ensure required public improvements are constructed and operational to serve the project and the community as a whole.
2. Deny the request to approve PIA 2026-02. STAFF DOES NOT RECOMMEND THIS OPTION because the PIA is required per the Conditions of Approval to

ensure required public improvements are constructed and operational to serve the project and the community as a whole. Approval or denial of the PIA does not affect the development project approval.

FISCAL IMPACT/FUNDING SOURCE

There is no net impact to the General Fund. Plan check and inspection fees have been collected to cover the costs associated with this action. The developer has submitted bonding and insurance for the above referenced Property Improvement Agreement. All of the required improvements are part of the developer's responsibility.

PUBLIC OUTREACH

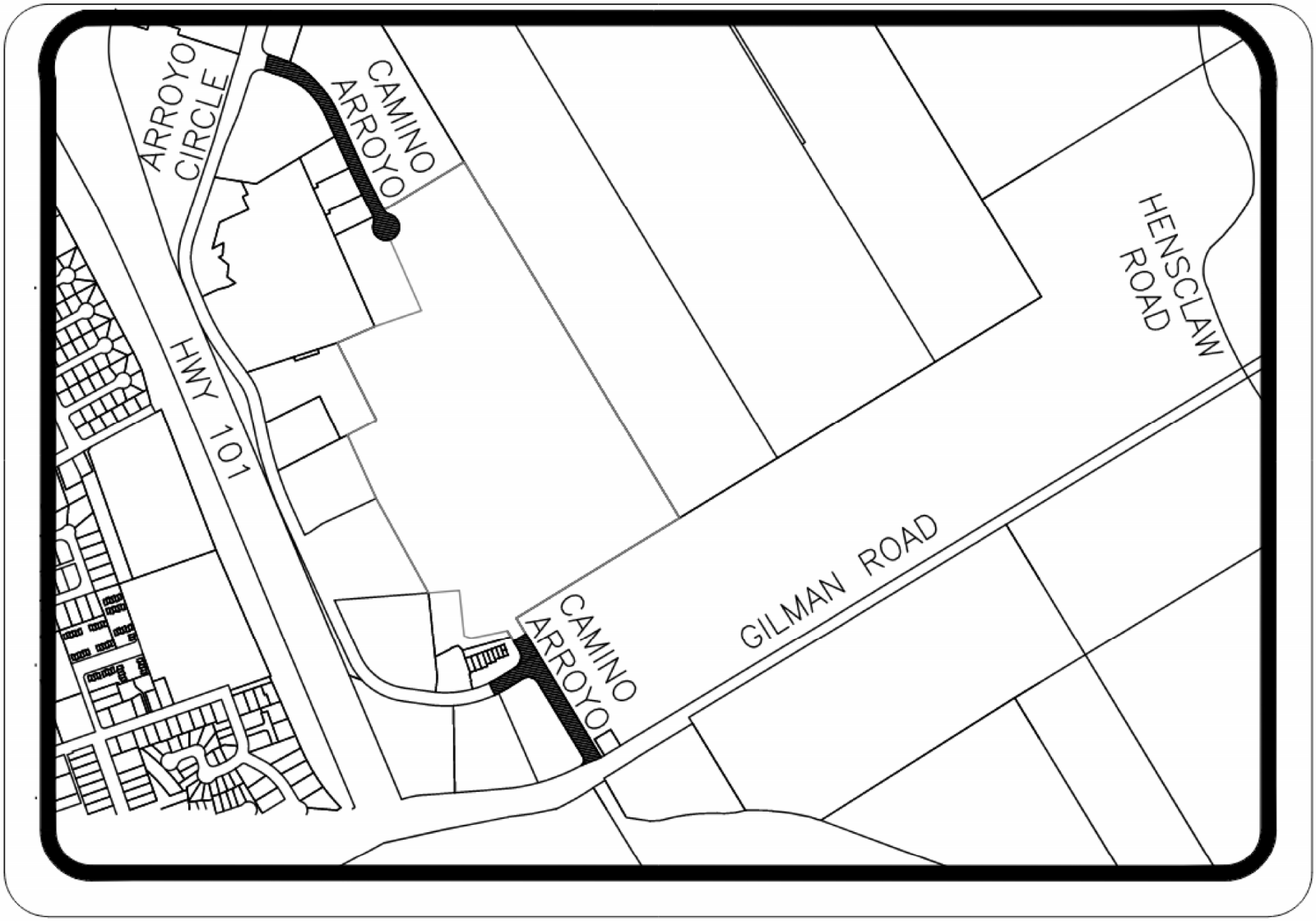
N/A

NEXT STEPS

N/A

Attachments:

1. Exhibit A - Vicinity Map
2. Exhibit B - PIA



VICINITY MAP

SCALE: NTS

NORTH

RECORDING REQUESTED BY:

City of Gilroy

WHEN RECORDED, MAIL TO:
City Clerk
City of
Gilroy
7351 Rosanna Street
Gilroy, CA 95020

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

Property Improvement Agreement No. 2026-02

Arroyo Circle Roundabout Off-Site Improvements (PWENC-2506-0107)

Associated with Data Center Phase 1
8000 Camino Arroyo

PROPERTY IMPROVEMENT AGREEMENT COMMERCIAL

AGREEMENT FOR IMPROVEMENT OF STREETS AND OTHER PUBLIC WORKS FACILITIES
Property Improvement Agreement No. 2026-02

This Property Improvement Agreement ("Agreement") is made and entered into this ____day of April, 2026, by and between the City of Gilroy, a municipal corporation, herein called the "City," and Amazon Data Services Inc., herein called the "Owner" / "Developer".

WHEREAS, a building permit (Site Clearance) application has now been submitted to the City for approval and acceptance, covering certain real estate and property improvements known as and called: CAMINO ARROYO BUILDING 1 (BLDNR-2402-0034), APN: 841-69-044 a legal description of which is attached hereto and incorporated herein as Exhibit "A" (the "Property"), and an encroachment permit application for improvements as described in the project improvement plans entitled CITY OF GILROY CAMINO ARROYO CIVIL OFFSITE IMPROVEMENTS shown as Exhibit B ("Offsite Improvements").

WHEREAS, the Owner is the fee owner of the Property and requires certain utilities and public works facilities in order to service the Property under the minimum standards established by the City and,

WHEREAS, the City, by and through its City Council, has enacted certain Codes, Ordinances and Resolutions and certain Rules and Regulations have been promulgated concerning the subject matter of this Agreement and,

WHEREAS, the City has certain responsibilities for maintenance and operation of such utilities and public service facilities after acceptance by City, and for providing the necessary connecting system, general plant and appurtenances, and the City is agreeing to discharge those responsibilities, provided that Developer has faithfully and fully complied with all of the terms, covenants, conditions to be performed by Developer pursuant to this Agreement.

NOW THEREFORE, in consideration of the foregoing premises and in order to carry on the intent and purpose of said Codes, Ordinances, Resolutions and Regulations and established policies of the City and the laws of the State of California and the United States of America it is agreed by and between the parties as follows:

SECTION 1

That all Codes, Ordinances, Resolutions, Rules and Regulations and established policies of the City and the laws of the State of California and the United States of America concerning the subject matter of this Agreement are hereby referred to and incorporated herein to the same effect as if they were set out at length herein. Said Codes, Ordinances, Resolutions, Rule and Regulations include, but are not limited to, the following: the Code of the City of Gilroy, the City's current Zoning Ordinance, and the currently adopted Uniform Building Code.

SECTION 2

The Developer agrees:

a. To comply with every one of said Codes, Ordinances, Resolution, Rules and other Regulations and established policies of the City and the laws of the State of California and the United States of America, including without limitation, the California Labor Code and California Public Contract Code to the extent applicable to construction of the Offsite Improvements under this Agreement. Developer further agrees and acknowledges that it is its obligation to determine whether, and to what extent, the construction of the Offsite Improvements under this Agreement is subject to any Codes, Ordinances, Resolutions, Rules and other Regulations and established policies of the City and the laws of the State of California, the United States of America, the California Labor Code and Public Contract Code relating to public coning and prevailing wage laws.

b. To grant to the City without charge, free and clear of encumbrances, any and all easements and rights of way in and to the Property necessary for the City in order that its water, electricity, and/or sewer lines in or to said Property may be extended as shown on Exhibit B.

c. To indemnify, defend with counsel of Developer's choice, subject to the City's approval, which approval shall not be unreasonably withheld, conditioned, or delayed, and hold the City free and harmless from all suits, fees, claims, demands, causes of action, costs, losses, damages, liabilities and expenses (including without limitation attorneys' fees) incurred by City in connection with (i) any damage done to any utility, public facility or other material or installation of the City on said Property which the Developer or any contractor or subcontractor of the Developer, or any employee of the foregoing, shall do in grading or working upon said Property; or (ii) to the extent arising or resulting directly or indirectly from any act or omission of Developer or Developer's contractors, or subcontractors, or any employee of the foregoing in connection with the construction of the Offsite Improvements performed by them in connection with this Agreement, including without limitation all claims relating to injury or death of any person or damage to any property. Notwithstanding the foregoing, in no event shall Developer be obligated to indemnify or hold harmless the City from or against liabilities to the extent caused by the negligence or willful misconduct of the City or any of its officers, officials, employees, or agents.

d. To construct the Offsite Improvements. in accordance with all standards established in the Codes, Ordinances, Resolutions, Rules and Regulations and established policies of the City and the laws of the State of California and the United States of America and this agreement, and in accordance with the grades, plans, and specifications approved by the City Engineer. Developer shall furnish two good and sufficient bonds, a Payment Bond on a form provided by the City and a Performance Bond, both of which shall be secured from a surety company admitted to do business in California. Each bond shall set forth a time period for performance by the contractor of its obligations and the terms and conditions on which the City may obtain the proceeds of the bond.

The Performance Bond shall be in an amount not less than one hundred percent (100%) of the total estimated amount payable for the Offsite Improvements, and shall secure payment to City and the Developer of any loss due to the default of the contractor or its inability or refusal to perform its contract. The performance bond shall by its terms remain in full force and effect for a period of not less than one year after completion of the improvements by Developer and acceptance of the improvements by City, to guarantee the repair and replacement of defective material and faulty workmanship. Upon completion of the Offsite Improvements by Developer and acceptance of the improvements by City, Developer may substitute for the performance bond securing

maintenance described above, a separate maintenance bond issued by an admitted surety in the amount of ten percent (10%) of the total contract price of the improvements (provided that the amount of said bond shall not be less than One Thousand Dollars ($1,000) to cover the one-year maintenance period.

The Payment Bond shall be in an amount not less than one hundred percent (100%) of the total estimated amount payable for the Offsite Improvements. The Payment Bond shall secure the payment of those persons or entities to whom the Developer may become legally indebted for labor, materials, tools, equipment or services of any kind used or employed by the contractor or subcontractor in performing the work, or taxes or amounts to be withheld thereon. The Payment Bond shall provide that the surety will pay the following amounts should the Contractor or a Subcontractor fail to pay the same, plus reasonable attorneys' fees to be fixed by the court if suit is brought upon the bond: (1) amounts due to any of the persons named in California Civil Code Section 9100; (2) amounts due under the Unemployment Insurance Code with respect to work or labor performed for the improvements described in this Agreement; and (3) any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Contractor and Subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to the work and labor. The Payment Bond shall, by its terms, inure to the benefit of any of the persons named in Civil Code Section 3181 so as to give a right of action to those persons or their assigns in any suit brought upon the bond.

Prior to the issuance of the encroachment permit for the Offsite Improvements, the Developer shall submit the following for both the surety that furnishes the Payment Bond and the surety that furnishes the Performance Bond: (1) a current printout from California Department of Insurance's website (www.insurance.ca.gov) showing that the surety is admitted to do business in the State; or (2) a certificate from the Clerk of the County of Santa Clara that the surety's certificate of authority has not been surrendered, revoked, canceled, annulled, or suspended or in the event that it has, that renewed authority has been granted.

Upon request of Developer, in lieu of the Performance Bond and/or Payment Bond, the Public Works Director may approve a performance security and/or payment security in a form acceptable to the Public Works Director such as a letter of credit.

e. Except as otherwise expressly provided in this Agreement, all plan check and inspection fees which are payable by Developer pursuant to the attached comprehensive fee schedule are due and payable to the City prior to encroachment permit issuance. Upon approval the encroachment permit covering the real estate to be improved and before any work is done therein, which approval shall not be unreasonably withheld, the Developer shall pay to the City all other sums payable by Developer pursuant to the attached comprehensive fee schedule.

f. At all times during the term of this Agreement and until the Offsite Improvements constructed by Developer are accepted by City, Developer shall, at no cost to City obtain and maintain or cause its contractor to obtain and maintain, as appropriate, (a) a policy of general liability and property damage insurance in the minimum amount of One Million Dollars ($1,000,000), combined single limit for both bodily injury and property damage; (b) workers' compensation insurance as required by law; and (c) broad form "Builder's Risk" property damage insurance with limits of not less than 100% of the estimated value of the improvements to be constructed by Developer pursuant to this Agreement.

All such policies shall provide that thirty (30) days written notice must be given in advance to City prior to termination, cancellation or modification. The insurance specified in (a) above shall name

City as an additional insured and the insurance specified in (c) shall name City as a loss payee, and shall provide that City, although an additional insured or loss payee, may recover for any loss suffered by reason of the acts or omissions of Developer or Developer's contractors or subcontractors or their respective employees. Developer hereby waives, and Developer shall cause each of its contractors and subcontractors to waive, all rights to recover against City for any loss or damage arising from a cause covered by the insurance required to be carried pursuant to this Agreement or actually carried by Developer in connection with the Offsite Improvements, and will cause each insurer to waive all rights of subrogation against City in connection therewith. All policies shall be written on an occurrence basis and not on a claims made basis and shall be issued by insurance companies acceptable to City. Prior to commencing any work on the Offsite Improvements, Developer shall deliver to City the insurance company's certificate evidencing the required coverage, or if required by City a copy of the policies obtained.

SECTION 3

Prior to occupancy, and as a condition to the issuance of any certificate of occupancy, Developer shall complete all Offsite Improvements to the satisfaction of the City's approval, unless otherwise allowed by the Community Development Director or Public Works Director. Developer shall maintain such Offsite Improvements at Developer's sole cost and expense at all times prior to acceptance by City in a manner which will preclude any hazard to life or health or damage to property.

SECTION 4

That the faithful and prompt performance by the Developer of each and every term and condition contained herein is made an express condition precedent to the duty of the City to perform any act in connection with this transaction, and the failure, neglect or refusal of the Developer to so perform, or to pay any monies due hereunder when due shall release the City from any and all obligations hereunder and the City, at its election, may enforce the performance of any provision herein, or any right accruing to the City or may pursue any remedy whatsoever it may have under applicable laws or the Codes, Ordinances, Resolutions, Rules and Regulations of the City, in the event of any such default by Developer.

SECTION 5

That this Agreement, including without limitation the general stipulations outlined in Section 6 below, is an instrument affecting the title or possession of the Property and runs with the land. Except as expressly provided in the second sentence of Item n. of the general stipulations set forth in Section 6 below (relating to the payment of reimbursement to the original Owner named in this Agreement), all the terms, covenants and conditions herein imposed shall be binding upon and inure to the benefit of City, Developer, the successors in interest of Developer, their respective successors and permitted assigns and all subsequent fee owners of the Property. The obligations of the Developer under this Agreement shall be the joint and several obligations of each and all of the parties comprising Developer, if Developer consists of more than one individual and/or entity. Upon the sale or division of the Property, the terms of this Agreement shall apply separately to each parcel and the fee owners of each parcel shall succeed to the obligations imposed on Developer by this Agreement during each owner's period of ownership.

SECTION 6

As it relates solely to the construction of the Offsite Improvements:

a. The Developer shall comply with all applicable Arch & Site conditions and applicable mitigation

measures as contained in City approval (A&S 20-23 approval).

b. All work within the public right-of-way shall be subject to the approval of the City Engineer, which approval shall not be unreasonably withheld, conditioned or delayed.

c. The Developer shall perform all work in compliance with the City-approved design for the Offsite Improvements.

d. The Developer shall defend, indemnify, and hold harmless the City, its City Council, Planning Commission, agents, officers, and employees from any claim, action, or proceeding against the City or its City Council, Planning Commission, agents, officer, and employees to attack, set aside, void, or annul an approval of the City, City Council, Planning Commission, or other board, advisory agency, or legislative claim, action, or proceeding against it, and will cooperate fully in the defense.

e. Schedule the construction of improvements along existing public roads so that the work affecting vehicular traffic is completed with a minimum interruption to traffic to the extent feasible.

f. Developer's obligations concerning the design, permitting, funding, construction, timing, and conversion to recycled water for the Project shall be as set forth in Architectural & Site Approval AS 20-23, Public Works Condition of Approval No. 53 and are not subject to this Agreement.

g. All work shall be coordinated so that the existing residents and businesses on all adjacent streets have access to their properties.

h. Before construction utilizing combustible materials may proceed, an all-weather access must be provided to within 150 feet of the building site; and at least one in service fire hydrant must be available within 150 feet of each portion of the site wherein this construction is to take place. Location of the fire hydrants will be determined by the Fire Chief.

i. Upon request by the City Engineer, the Developer shall provide information for public outreach purposes, which may include maps and schedules for each phase of construction.

j. Joint Trench Plans (if applicable) shall be approved and included with the complete set of improvement plans. Should there be a delay in obtaining the PG&E- approved joint trench plans the Developer will be allowed to commence joint trench work "at-risk" only with the approval of the City Engineer, which approval shall not be unreasonably withheld, conditioned or delayed. The Developer assumes responsibility for any required redesign, and all costs associated with the redesign and additional city review resulting from the at-risk work completed without PG&E- approved joint trench plans. Design revisions and ultimate joint trench construction shall be completed to the satisfaction of the City Engineer.

k. Any damage resulting from construction operations to existing city infrastructure on or adjacent to the property where the Offsite Improvements are constructed shall be repaired to the reasonable satisfaction of the City Engineer, at the full expense of the Developer/contractor. This shall include slurry seal, overlay, street reconstruction, and repair to curb, gutter and sidewalk, driveway approach if reasonably deemed warranted by the City Engineer.

l. In accordance with the California Professional Land Surveyors' Act (Business and Professions Code) Chapter 15 Sections 8771 and 8725, California Penal Code 605, and California Government Code 27581, the Developer, their employees, subcontractors, and/or any person performing construction activities that will or may disturb an existing roadway/ street monument, corner stake, or any other

permanent surveyed monument shall show all current monuments on the plans and shall ensure that a Corner Record and/or Record of Survey are filed with the County Surveyor Office prior to disturbing said monuments. All disturbed or destroyed monuments shall be reset and filed in compliance with Section 8771 at the Developer's sole expense.

m. Bonding as required by Section 2.d of this agreement will be accepted for the proposed improvements for an amount of $3,483,400 based on the Offsite Improvements cost estimate.

n. If there are any reimbursements payable to the Owner, they must be specifically identified in this Agreement. Any such reimbursements shall be payable to the original Owner named in this agreement above, and shall not inure to the benefit of any subsequent owners of all or any portion of the Property. All reimbursements payable to Developer shall be subject to the City's reimbursement policies and ordinances in effect from time to time, including without limitation any expiration dates identified in such policies and ordinances. Such reimbursement shall be solely contingent upon the availability of the City's Traffic Impact Fee Funds and in no case shall the reimbursement be paid beyond ten (10) years after the execution of the Agreement. In addition to any other conditions, requirements and limitations set forth in the City's reimbursement policies and ordinances from time to time, (i) in no event shall any reimbursements be payable to Developer if City determines in its sole and absolute discretion from time to time that there are not sufficient reserves then on hand in the specific reimbursement fund from which Developer's reimbursement is payable, over and above any amounts anticipated to be required to be expended from such reimbursement fund, which reserves, at a minimum, are equal to at least half of the remaining average yearly anticipated expenditures of such reimbursement fund as determined by City from time to time; (ii) City may, in its sole and absolute discretion, make partial reimbursement payments to Developer in yearly increments, as determined by City; and (iii) City may defer payments in any given year if projects deemed by City to be of high importance are determined by City, in its sole and absolute discretion, to be warranted or necessary, and the funds in such reimbursement fund are designated by the City for use on such projects of high importance.

o. Reimbursements. Per Section 6, item n. above, reimbursement, if any, shall be made to the original Owner named in this agreement.

SECTION 7

That the attached Development Cost Schedule enumerates all fees and their extensions.

1. TOTAL AMOUNT DUE CITY **$302,489.00**

OWNER

Amazon Data Services, Inc.

By: [signature]

Name: Brad Bashaw

Title: Authorized Signatory

Date: 2/27/2026

CITY OF GILROY

By: _____
Matt Morley
City Administrator

Date: _____

NOTE: If Developer is a corporation, the complete legal name and corporate seal of the corporation and the corporate titles of the persons signing for the corporation shall appear above.

Exhibit A – Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GILROY, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY SITUATED IN THE CITY OF GILROY, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, BEING A PORTION OF "PARCEL 4", AS SHOWN ON THE PARCEL MAP FILED JANUARY 19, 1993 IN BOOK 643 OF MAPS, AT PAGES 21 THROUGH 23, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA, A PORTION OF "LOT 11-8", AS SHOWN ON THE RECORD OF SURVEY FILED DECEMBER 22, 1988 IN BOOK 594 OF MAPS, AT PAGE 40, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA, AND A PORTION OF PARCEL 3, AS SHOWN ON THE PARCEL MAP FILED MARCH 1, 2005 IN BOOK 781 OF MAPS, AT PAGES49 THROUGH 51, RECORDS OF SANTA CLARA COUNTY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE WEST LINE OF SAID "PARCEL 4", SAID POINT BEING THE SOUTHEASTERLY TERMINUS OF THE COURSE DESIGNATED (N 24° 22' 00"W, A DISTANCE OF 526.21 FEET), AND THE SOUTHEAST CORNER OF "PARCEL 2", AS SHOWN ON SAID PARCEL MAP FILED JANUARY 19, 1993; THENCE ALONG SAID WEST LINE, N24°22'00"W, A DISTANCE OF 6.50 FEET; THENCE LEAVING SAID WEST LINE, N58°35'45"E, A DISTANCE OF 265.00 FEET; THENCE N24°22'00"W, DISTANCE OF 340.43 FEET TO THE SOUTH LINE OF CAMINO ARROYO, ALSO BEING THE NORTH LINE OF SAID "PARCEL 4", AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, FROM WHICH THE RADIUS POINT BEARS N 14° 09' 35" W, A RADIAL DISTANCE OF 70.00 FEET; THENCE ALONG SAID NORTH LINE, NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 150°47'37", A DISTANCE OF 184.23 FEET TO A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 50.00 FEET; THENCE CONTINUING ALONG SAID NORTH LINE, NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 46° 53' 43", A DISTANCE OF 40.92 FEET; THENCE CONTINUING ALONG SAID NORTH LINE, N58°35'36"E, A DISTANCE OF 498.44 FEET TO THE EAST LINE OF SAID "PARCEL 4"; THENCE ALONG SAID EAST LINE, S 31° 23' 50" E, A DISTANCE OF 2,218.47 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID "PARCEL 4"; THENCE ALONG SAID SOUTH LINE, S 58° 37' 10" W, A DISTANCE OF 1,019.85 FEET TO AN ANGLE POINT AND THE EAST LINE OF SAID"PARCEL4"; THENCE ALONG SAID EAST LINE, S 31° 22' 50" E,A DISTANCE OF 223.70 FEET TO THE SOUTH LINE OF SAID "PARCEL 4"; THENCE ALONG SAID SOUTH LINE, S 58° 37' 10"W, A DISTANCE OF 154.00 FEET TO A POINT OF CUSP ON THE WEST LINE OF SAID "PARCEL 4", AND THE BEGINNING OF A NON-TANGENTCURVETO THE LEFT, FROM WHICH THE RADIUS POINT BEARS N31°22'50"W, A RADIAL DISTANCE OF 70.00 FEET; THENCE ALONG SAID WEST LINE, NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00", A DISTANCE OF 109.96 FEET; THENCE CONTINUING ALONG SAID WEST LINE, N 31° 22' 50" W, A DISTANCE OF 115.30 FEET, TO THE INTERSECTION THEREWITH, A LINE 40 FEET NORTHERLY THEREOF, AND PARALLEL THEREWITH, THE SOUTH LINE OF SAID "PARCEL 3", DESIGNATED AS (N 74° 20' 29" E, A DISTANCE OF 256.30 FEET); THENCE ALONG SAID PARALLEL LINE, S 74° 20' 29" W, A DISTANCE OF 231.67 FEET, TO THE INTERSECTION THEREWITH, A LINE 40 FEET NORTHERLY THEREOF, AND PARALLEL.

THEREWITH, THE SOUTH LINE OF SAID "PARCEL 3", DESIGNATED AS (N 42° 55' 00" W, A DISTANCE OF 22.47 FEET); THENCE ALONG SAID PARALLEL LINE, N 42° 55' 00"W, A DISTANCE OF 31.66 FEET; THENCE LEAVING SAID PARALLEL LINE, N 04° 41' 23"W, A DISTANCE OF265.53 FEET TO THE NORTH LINE OF SAID "PARCEL 3"; THENCE ALONG SAID NORTH LINE, S 85° 18' 36" W, A DISTANCE OF

108.27 FEET; THENCE LEAVING SAID NORTH LINE, N 32° 43' 19"W, A DISTANCE OF 592.22 FEET TO ANGLE POINT IN THE NORTH AND WEST LINE OF SAID "LOT 11-8", COURSES DESIGNATED AS (N65°23'18"E, A DISTANCE OF 316.19 FEET) AND (N24°36'42"W, A DISTANCE OF 368.91 FEET); THENCE ALONG THE WEST LINE OF SAID "LOT 11-8", N 24° 36' 42" W, A DISTANCE OF 368.91 FEET TO THE NORTH LINE OF SAID "LOT 11-B"; THENCE ALONG SAID NORTH LINE, N 62° 28' 23" E, A DISTANCE OF 166.78 FEET TO THE NORTHEAST CORNER OF SAID "LOT 11-B", ALSO BEING AN ANGLE POINT IN THE WEST LINE OF SAID "PARCEL 4"; THENCE ALONG SAID WEST LINE, N26°57'37"W, A DISTANCE OF 460.68 FEET TO A NORTH LINE OF SAID "PARCEL 4"; THENCE ALONG SAID NORTH LINE, N65°38'00"E, A DISTANCE OF 216.54 FEET TO THE POINT OF BEGINNING.

BEING LOT C AS CREATED IN THAT CERTAIN DOCUMENT ENTITLED "CITY OF GILROY CERTIFICATE OF COMPLIANCE NO. 2020-05 (LOT LINE ADJUSTMENT)" RECORDED JULY 10, 2020, INSTRUMENT NO. 24532203, OF OFFICIAL RECORDS.

CHAPPELL GEOMATICS, INC.

BRETT J CHAPP PLS 7547 LICENSE RENEWAL DATE: 12-31-2027

CITY OF GILROY
CAMINO ARROYO

CIVIL OFFSITE IMPROVEMENTS PROJECT

VICINITY MAP
NO SCALE

STANDARD ABBREVIATIONS:

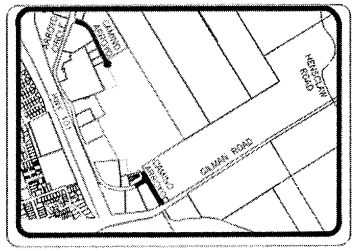
ARV	AIR RELEASE VALVE
BC	BEGIN HORIZONTAL CURVE
BFPD	BACKFLOW PREVENTION DEVICE
BGS	BENDHEIM INFRASTRUCTURE GROUP CA, LLC
BOC	BACK OF CURB
BOA	BOLLARD
BOW	BACK OF WALK
BVC	BEGIN VERTICAL CURVE
CB	CATCH BASIN
CIR	COLD IN PLACE RECYCLING
CL	CENTERLINE
CLF	CHAIN LINK FENCE
C&G	CURB AND GUTTER
COMM	COMMUNICATION
CTV	CABLE TELEVISION
DWG	CALIFORNIA WATER SERVICES
DI	DRAINAGE INLET
EC	END HORIZONTAL CURVE
ELEC	ELECTRICAL
EOP	EDGE OF PAVEMENT
EVC	END VERTICAL CURVE
FC	FACE OF CURB
FH	FIRE HYDRANT
GB	GRADE BREAK
GM	GAS METER
HDPA	HOT MIX ASPHALT
HP	HIGH POINT
ICV	IRRIGATION CONTROL VALVE
ICB	IRRIGATION CONTROL BOX
JP	JOINT POLE
JT	JOINT TRENCH
LF	LINEAR FEET
LP	LOW POINT
MAX	MAXIMUM
MH	MANHOLE
MIN	MINIMUM
MW	MONUMENT
MUTCD	MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES
MW	MONITORING WELL
NTS	NOT TO SCALE
O/O	ON CENTER
PB	PULL BOX
PAD	PADESTAL
PBB	PEDESTRIAN PUSH BUTTON
PROJ	PROJECTED
PUE	PUBLIC UTILITY EASEMENT
PVI	POINT OF VERTICAL INFLECTION
R	RADIUS
R.C.	RELATIVE COMPACTION
RCP	REINFORCED CONCRETE PIPE
REM	REMOVE
RW	RETAINING
R/W	RIGHT OF WAY
SAC	SAWCUT
SCCO	STORM DRAIN CLEAN OUT
SDDI	STORM DRAIN INLET
SDMH	STORM DRAIN MANHOLE
SL	STREET LIGHT
SM	SIGNING AND STRIPING
SSMH	SANITARY SEWER
SSCO	SANITARY SEWER CLEAN OUT
SCVSD	SANTA CLARA COUNTY WATER DISTRICT
SSMH	SANITARY SEWER MANHOLE
STD	STANDARD
SW	SIDEWALK
SWE	SIDEWALK EASEMENT
TB	TOP OF BERM
TC	TOP OF CURB
TELE	TELEPHONE
TMH	TELEPHONE MANHOLE
TS	TRAFFIC SIGNAL
TYP.	TYPICAL
VG	VALLEY GUTTER
VC	VERTICAL CURVE
WM	WATER METER
WV	WATER VALVE

APPLICABLE STANDARDS:

2024 CALTRANS STANDARD PLANS AND SPECIFICATIONS
CITY OF GILROY STANDARD PLANS AND SPECIFICATIONS

SHEET INDEX:

1	CV-01	COVER SHEET
2	GN-01	GENERAL NOTES
3	HC-01	HORIZONTAL CONTROL
4-5	AL-01 TO AL-02	ALIGNMENT PLAN
6	TX-01	TYPICAL SECTIONS
7-8	DM-01 TO DM-02	DEMOLITION PLAN
10-12	L-01 TO L-03	LAYOUT PLAN
13	P-01	PROFILES
14-21	CD-01 TO CD-08	CONSTRUCTION DETAILS
22-23	DT-01 TO DT-02	DETAILS
24-25	GD-01 TO GD-02	GRADING
26-27	SW-01 TO SW-02	STORM WATER CONTROL PLAN
28-29	PV-01 TO PV-02	UTILITY PLAN
30	PP-01	UTILITY PROFILE
31	EC-01	EROSION CONTROL
32-34	SC-01 TO SC-03	STAGE CONSTRUCTION
35-36	PR-01 TO PR-02	PAVEMENT REHAB
37-39	SS-01 TO SS-03	SIGNING AND STRIPING
40	TS-01	TRAFFIC SIGNAL NOOMINATION
41-44	EL-01 TO EL-04	PHOTOMETRIC PLAN
45-46	EL-05 TO EL-06	ELECTRICAL PLAN
47	LS-01	LANDSCAPE NOTES AND SCHEDULES
48	LS-02	LANDSCAPE PLAN - CAMINO ARROYO
49	LS-03	LANDSCAPE PLAN - ARROYO CIRCLE
50	LS-04	TREE PROTECTION DETAILS
51	LS-05	LANDSCAPE DETAILS
52	IR-01	IRRIGATION NOTES AND WATER USE CALCULATIONS
53	IR-02	IRRIGATION SCHEDULES
54	IR-03	IRRIGATION PLAN - CAMINO ARROYO
55	IR-04	IRRIGATION PLAN - ARROYO CIRCLE
56	IR-05	IRRIGATION DETAILS
57	IR-06	IRRIGATION DETAILS
58	IR-07	IRRIGATION SPECIFICATIONS
59	IR-08	LANDSCAPE SPECIFICATIONS
60	DV-01	DESIGN VEHICLES



VICINITY MAP
SCALE: NTS

LEGEND

DESCRIPTION	EXISTING	PROPOSED
R/W		
EASEMENT (PUE & SWE)		
SAWCUT		
PROPOSED GRADE		
EXISTING GRADE		
VAULT / PULL BOX		
ROUND DROP INLET		
GRATE INLET		
MONITORING WELL		
SDMH		
SSMH		
SSCO		
FIRE HYDRANT		
GATE VALVE		
WATER VALVE		
WATER METER		
ELECTRIC METER		
GAS METER		
MONUMENT		
UTILITY POLE		
UTILITY POLE WITH LIGHT		
GUY WIRE		
SIGN		
STREET LIGHT		
STREET LIGHT HEAD		

ENGINEER OF RECORD

PLANS PREPARED UNDER THE DIRECTION OF AND APPROVED FOR CONSTRUCTION.

ANTHONY VERA
R.C.E. NO. 87280
2/15/2026
DATE

CITY OF GILROY

APPROVAL OF THIS PLAN DOES NOT RELEASE THE DEVELOPER FROM RESPONSIBILITY FOR CORRECTION OF MISTAKES, ERRORS, OR OMISSIONS CONTAINED THEREIN. IF, DURING THE COURSE OF CONSTRUCTION OF THE IMPROVEMENTS, PUBLIC INTEREST REQUIRES A MODIFICATION OF OR A DEPARTURE FROM THE CITY SPECIFICATIONS OR THESE IMPROVEMENT PLANS, THE CITY ENGINEER SHALL HAVE THE AUTHORITY TO REQUIRE SUCH MODIFICATION AND DEPARTURE AND TO SPECIFY THE MANNER IN WHICH THE SAME IS TO BE MADE.

JORGE DURAN
LAND DEVELOPMENT ENGINEER – CITY OF GILROY
R.C.E. NO. 59978
DATE

NO	DATE	BY	REVISIONS	NO	DATE	BY	CITY APPROVALS

CITY OF GILROY
DEPARTMENT OF PUBLIC WORKS
7351 HOLIGANA STREET
GILROY, CALIFORNIA 95020
MAIN (408) 846-0220

DRAWN BY	MP	DATE: 2/16/2026	SCALE: AS SHOWN
DESIGNED BY	PB	6027 CHABOT DRIVE, SUITE 205 PLEASANTON, CA 94588 PHONE: 925.399.4849 FAX: 925.399.4579 WWW.HARLEY-ELLIS.COM	PROJECT NO
REVIEWED BY	AV		

COVER SHEET

SHEET TITLE: CV-01
SHEET NO: 1 OF 60

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Claim of Christina Johnson (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Human Resources/Risk Management
Submitted by:	LeeAnn McPhillips, Interim Human Resources Director/Risk Manager.
Prepared by:	LeeAnn McPhillips, Interim Human Resources Director/Risk Manager.

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

Based on the recommendation from Municipal Pooling Authority (MPA) and/or legal counsel, this claim is recommended for rejection.

EXECUTIVE SUMMARY

Based on the recommendation from Municipal Pooling Authority (MPA) and/or legal counsel, the following claim is submitted to the City Council for rejection at the April 6, 2026 meeting:

- Claim of Christina Johnson

BACKGROUND

n/a

ANALYSIS

n/a

ALTERNATIVES

n/a

FISCAL IMPACT/FUNDING SOURCE

n/a

PUBLIC OUTREACH

n/a

NEXT STEPS

n/a

Attachments:

1. Claim of Christina Johnson February 2026

RECEIVED
FEB 11 2026
GILROY CITY CLERK'S OFFICE

GOVERNMENT TORT CLAIMS

CHRISTINA JOHNSON,

Claimant,

vs.

Santa Clara County, City of Gilroy, City of Milpitas

Respondents.

GOVERNMENT TORT CLAIM (Gov Code § 910 et seq)

A claim shall be presented by the claimant or by a person acting on his or her behalf and shall show all of the following:
(a) The name and post office address of the claimant.
(b) The post office address to which the person presenting the claim desires notices to be sent.
(c) The date, place and other circumstances of the occurrence or transaction which gave rise to the claim asserted.
(d) A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the time of presentation of the claim.
(e) The name or names of the public employee or employees causing the injury, damage, or loss, if known.
(f) The amount claimed if it totals less than ten thousand dollars ($10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars ($10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case.

Gov. Code § 910

(a) The name and post office address of the claimant.

Christina Johnson, 6440 Hastings Place; Gilroy, CA 95020

(b) The post office address to which the person presenting the claim desires notices to be sent.

Christina Johnson, 6440 Hastings Place; Gilroy, CA 95020

(c) The date, place and other circumstances of the occurrence or transaction which gave rise to the claim asserted.

Prosecution in Santa Clara County Superior Court and incarceration in the County Jail pending the successful dismissal of charges from August 2025 to January 2026. Failure of local agencies to comply with the mandated reporter statutes relating to reports received in September 2023.

(d) A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the time of presentation of the claim.

False Arrest; Malicious Prosecution; Criminal Negligence; Failure to comply with the Mandated Reporter statutes

(e) The name or names of the public employee or employees causing the injury, damage, or loss, if known.

Officer Cupak of Gilroy PD wrote a report indicating that the only reports relating to the SA of minor J.M. had come from Christina Johnson and that the report was found to be unfounded. An additional report had been made by the Therapist from Los Gatos Therapy Center which had indicated directly hearing of the complaint of SA from J.M. This report should have been investigated and forwarded to Milpitas PD Officers Goodman and Kolmanovskiy and should have been forwarded to the Santa Clara County District Attorney. The names of the DFCS employees who failed to do this are unknown or if they did do this then the above-mentioned police officers and the person responsible for intake of such reports in the SCCDA office are responsible.

(f) The amount claimed

In excess of $10,000. In excess of limited jurisdiction amount. (More than $25,000).

The mandated reporter statutes make clear that a report of SA by a minor are required (non-discretionary) to be investigated, forwarded to the relevant law enforcement agencies, and to the District Attorney office. The complaint of SA by the therapist of J.M. occurred in September 2023. The failure to properly document or forward this complaint as required by law led to Claimant later being accused of similar conduct by the person accused in 2023 by J.M. which led to Claimant being arrested and charged with life-sentence-level felonies and incarcerated. The charges were dismissed upon the DA realizing that there had been prior reports of the 2023 incident, which so called-into-question the legitimacy of the complaints against Claimant that the case was unable to proceed. Claimant was therefore wrongly incarcerated for approximately 5 months from August 2025 through January 2026 as a direct result of the failure to comply with the investigation requirements, forwarding of complaints requirements, and preservation of records requirements of the mandated reporter statutes. As a result of this wrongful arrest and wrongful prosecution, Claimant was not only incarcerated for 5 months, but had her reputation smeared in the local press, lost custody of children, lost her business, lost property, and has suffered extreme emotional distress.

Claimant possesses redacted versions of several police reports and DFCS / CPS reports. Such reports still contain the full name of minor children. Claimant can provide these on request.

Dated:

Christina Johnson

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Approve budget amendment and contract amendment to cover change orders on the purchase of a replacement Type III fire engine from BME Fire Trucks, LLC.**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Public Works
Submitted by:	John Doughty, Public Works Director
Prepared by:	Walter Dunckel, Fleet and Facilities Superintendent

STRATEGIC PLAN GOALS: Not Applicable

RECOMMENDATION

1. Adopt a resolution amending the FY 2026 Fleet Vehicle Fund (600 Fund) adding $30,000 to cover change orders and additional contingency;
2. Approve Amendment No. 1 to the Agreement with BME Fire Trucks, LLC., in the amount of $25,969, and approve a contingency of $4,031; and
3. Authorize the City Administrator to execute the contract amendment and related documents.

EXECUTIVE SUMMARY

In 2023, the City Council entered a contract with BME Fire Trucks LLC (BME) to fabricate a new Type III fire engine. BME was chosen through a State (CalFire) solicitation process. As is common, the City used this tag-on bid/solicitation process as a time and cost-savings measure. At the time of award, it was acknowledged that modifications to the truck would be necessary during fabrication. Fire Department staff has identified several changes to the original specifications which require additional budget and funding authorizations. The changes are requested to meet Gilroy Fire operational and organizational objectives.

BACKGROUND

In May of 2023, the City awarded the Purchase of a Type III Fire Engine to BME Fire Trucks, LLC, utilizing a Cal Fire Tag-On Contract No. 1-22-23-21B. This contract's specifications were written based on how Cal Fire configures its vehicles and the specific configurations they use. Using Cal Fire's configuration, the City saved money and expedited the vehicle purchase process. Their specifications were very close to the City's and time was of the essence to complete the purchase. It was known and acknowledged that change orders would be required.

The vehicle on order is replacing a similar unit which was placed in service in 1999.

ANALYSIS

The Fire Department is requesting changes to the specifications of the new Type III fire engine being fabricated by BME. The Department indicates that the changes will result in greater standardization of the fire fleet, improve efficiency of the truck and increase the safety and effectiveness of crews on scene.

The following fire engine build changes are being requested to align with the operational efficiency, clean cab initiative, and to align with standard compartment configurations specific to Gilroy Fire's fleet. The original specifications were designed from a CAL FIRE Model 34 Type III engine, and though most of the specifications are suitable for the Gilroy Fire Department, there are several changes the Department Apparatus Committee is recommending be included to better fit the needs of the Gilroy Fire Department.

- The interior cab features do not have an adequate number of 12v charging ports to accommodate charging the Department's EMS iPad, Captain's iPad, cell phone, and portable radios.

- The exterior compartment configuration and size are not sufficient to store current SCBA packs, so we needed to design more practical compartments and configure them to safely and properly store the SCBA packs and spare cylinders. City SCBA packs are larger than CAL FIRE's. The City also organizes its trucks differently than CAL FIRE.

- Gilroy standard scene lighting on all apparatus provides for more robust lighting

to improve safety and visibility when working on emergency scenes at night. The exterior scene lighting in the CAL FIRE specification provided very limited scene lighting around the engine. Staff is seeking to enhance scene lighting to align with City standard lighting.

- The upper compartment configurations in the CAL FIRE specification do not account for some of the additional specialized equipment and PPE that Gilroy Fire carries, in addition to standard hose compliments.

- The City has used a standard color combination for all its front line apparatus for decades. The Department is requesting a change order to change the color from the CAL FIRE standard to the City standard paint color.

ALTERNATIVES

1. Approve the request. This alternative results in the delivery of a Type III fire truck which fully meets Gilroy Fire Department operational needs.
2. Deny the request. Staff does not recommend this option as the City would end up with a Type III fire truck that does not meet Gilroy Fire Department operational needs.

FISCAL IMPACT/FUNDING SOURCE

The funding source for the requested change order is recommended to be the Fleet Fund (600). Staff is requesting Council's approval of a budget amendment of $30,000, change orders of $25,969, and a remaining contingency authorization of $4,031 for any additional adjustments.

PUBLIC OUTREACH

None

NEXT STEPS

Should Council approve these actions, staff will execute the amendment and have BME

Fire Trucks, LLC implement the changes to the City’s new fire engine.

Attachments:

1. 2026 Resolution Fleet
2. Change Order 1 gilroy_fire_dept_3950
3. Final Change Orders 1 and 2 for BME Type III

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING THE BUDGET FOR THE CITY OF GILROY FOR FISCAL YEAR 2025-2026 AND APPROPRIATING PROPOSED EXPENDITURE AMENDMENTS.

WHEREAS, the City Administrator prepared and submitted to the City Council a budget for the City of Gilroy for Fiscal Year 2025-2026, and the City Council carefully examined, considered and adopted the same on June 2, 2025; and

WHEREAS, City Staff has prepared and submitted to the City Council a proposed amendment to said budget for Fiscal Year 2026 for the City of Gilroy in the staff report dated April 6, 2026, for Change Orders on a Type III fire engine.

NOW, THEREFORE, BE IT RESOLVED that appropriations for Fiscal Year 2026 shall be increased by the Finance Director in the amount of $30,000 within the Fleet Fund, Fund 600, for the BME Type III fire engine.

PASSED AND ADOPTED this 6th day of April 2026 by the following roll call vote:

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

APPROVED:

_____
Greg Bozzo, Mayor

ATTEST:

_____
Kim Mancera, City Clerk

CERTIFICATE OF THE CLERK

I, **KIM MANCERA**, City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2026-XX** is an original resolution, or true and correct copy of a City Resolution, duly adopted by the Council of the City of Gilroy at a Regular Meeting of said Council held on **Monday, Date**, with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **Tuesday, XXXXX**

_____
Kim Mancera
City Clerk of the City of Gilroy

GOLDEN STATE FIRE

Job Number(s): 3950
Change Order: 1
Change Order Range: — - —

Customer: Gilroy Fire Dept (301)

Submitted	Contact	Email	Proposal #	Manufacturer	Created By
02/21/2026	Greg Lopez	gregory.lopez@cityofgilroy.org	20407-23B	BME Fire Trucks, LLC.	Dewayne Young

By executing this change order (this "Change Order"), Golden State Fire Apparatus, Inc. ("GSFA") and the customer identified above ("Customer") hereby agree to the below-listed modifications to the agreement identified by the above GSFA Proposal Number 20407-23B, BME Fire Trucks, LLC. job number(s) 3950 (such agreement and all exhibits and attachments thereto, the "Agreement"), as well as any additional charges or credits associated with such modifications. Capitalized terms used but not defined herein have the meanings given to them in the Agreement.

#	Action	Qty	Option	Description	Item Price	Extended Price	Lead Time (Days)
01	Delete	1	02-73-6100	Bumper Cmpt, Door, Alum T/P, ALDP	$339.00	$-339.00	—
02	Add	1	02-73-6100	Bumper Cmpt, Door, Alum T/P, ALDP, Notched right side	$389.00	$389.00	—
03	Delete	1	02-74-1555	Air Horn, (1) Buell, #1063, Frame Mounted, Cal-Fire 2022	$389.00	$-389.00	—
04	Add	1	02-74-1555	Air Horn, (1) - BME Will provide air Horn, Vendor varies from stock on hand	$389.00	$389.00	—
05	Delete	1	10-15-1195	Valve, Akron Brass, 8830 Series, (Pump to Tank) Cal-Fire 2022	$642.00	$-642.00	—
06	Add	1	10-15-1195	Valve, Akron Brass, 8830 Series, (Pump to Tank) Cal-Fire 2022	$662.00	$662.00	—
07	Clarification	1		Re-label pump to tank to "Tank Fill"	$0.00	$0.00	—
08	Delete	1	12-08-1100	Discharge, 2" x 1.5", Rear RH - BME Change rear discharges to be 2.5"	$778.00	$-778.00	—
09	Add	1	12-08-1100	Discharge, 2.5 x 1.5", Rear RH	$778.00	$778.00	—
10	Delete	1	12-20-1150	Reducing Adapter, 2"F x 1.5"M, Chrome Brass	$77.00	$-77.00	—
11	Delete	1	12-21-1100	Elbow, 1.5"F x 1.5"M, Chrome Brass	$78.00	$-78.00	—
12	Add	1	12-20-1150	Reducing Adapter, 2.5" Fx 1.5"M, Chrome Brass, Elbow	$155.00	$155.00	—
13	Delete	1	12-11-7300	Crosslay Flaps, Vinyl, Red - QTY 2	$312.00	$-312.00	—
14	Add	1	12-11-7300	Crosslay Flaps, Vinyl, Black - QTY 2	$312.00	$312.00	—
15	Clarification	1		Hose reel nozzle mounting location to be determined at final inspection.	$0.00	$0.00	—
16	Delete	1	14-35-2135	Pressure Governor, FRC, PBA401-D00, Pump Boss, Cal-Fire 2022 - Vendor Discontinued, replaced with PBA501-D00	$2,742.00	$-2,742.00	—
17	Add	1	14-35-2010	Pressure Governor, FRC, PBA501-D00, Pump Boss Max, Dual Sensor (Cummins) - Replacement for PBA401-D00	$2,742.00	$2,742.00	—
18	Delete	1	14-40-4235	Level Gauge, Activation, Park Brake Set, Pump Engaged - QTY 2	$0.00	$0.00	—
19	Add	1	14-40--4215	Level Gauge, Activation, Battery Switched - QTY 2	$0.00	$0.00	—
20	Clarification	1		Pump panel water gauge & Max vision to be battery switched	$0.00	$0.00	—
21	Add	1	14-40-4240	Level Gauge, Activation, Park Brake Released, Aux Pump Engaged	$0.00	$0.00	—

#	Action	Qty	Option	Description	Item Price	Extended Price	Lead Time (Days)
22	Clarification	1		Console water gauge to activate with aux pump.	$0.00	$0.00	—
23	Delete	1	14-40-4235	Foam Tank Level Gauge, Activation, Park Brake Set, Pump Engaged	$0.00	$0.00	—
24	Add	1	14-40-4215	Foam Tank Level Gauge, Activation, Battery Switched	$0.00	$0.00	—
25	Delete	1	35-10-1100	D2 Compartment - Shelf, Adjustable, Alum 3/16", Cal-Fire 2022 - QTY 2	$450.00	$-450.00	—
26	Delete	1	35-85-2115	D2 Compartment - Dri-Dek, Grating, Per Cmpt Shelf - QTY 2	$109.80	$-109.80	—
27	Delete	1	42-20-1050	P2 Compartment - NO - 12V Power	$0.00	$0.00	—
28	Clarification	1		Shelves in P2 to be shallow, not full width.	$0.00	$0.00	—
29	Delete	1	35-10-1100	PH1 Compartment - Shelf, Adjustable, Alum 3/16", Cal-Fire 2022	$225.00	$-225.00	—
30	Delete	1	35-85-215	PH! Compartment - Dri-Dek, Grating, Per Cmpt Shelf	$54.90	$-54.90	—
31	Delete	1	35-85-2110	PH2 Compartment - Dri-Dek, Grating, Per Cmpt Surface	$54.90	$-54.90	—
32	Delete	1	23-68-6115	Slide -in suction Hose Cmpts / TP1 - Hard Suction Cmpt, Rear, Drivers/Psngr, M34 2021	$1,091.70	$-1,091.70	—
33	Delete	1	41-46-2005	Slide -in suction Hose Cmpts / TP1 - Door Open Sensor, Compt Door	$133.00	$-133.00	—
34	Add	1	21-01-2955	TP1 Compartment - Cmpt Dim, Drivers, Top Comp. Full Length, TP1	$3,382.50	$3,382.50	—
35	Add	1	24-09-3100	TP1 Compartment - Cmpt Floor Drains, Corners	$27.00	$27.00	—
36	Add	1	24-14-1001	TP1 Compartment - Doors, Roof Compts, Lift Up Alum Embossed T/P, Small <1000sq.in. QTY 2	$1,310.00	$1,310.00	—
37	Add	1	24-19-0200	TP1 Compartment - Lever Latch, Black, Locking, 1250 Key Type, Round Button, Each. QTY 2	$166.00	$166.00	—
38	Add	1	41-45-0030	TP1 Compartment - Compartment Lighting, Dunnage, Tecniq E10. QTY 2	$232.00	$232.00	—
39	Add	1	41-46-2005	TP1 Compartment - Door Open Sensor, Compt Door. QTY 2	$360.00	$360.00	—
40	Add	1	23-68-6110	TP1 Compartment - Hard Suction Cmpt, Rear RH, (M34 2012)	$1,765.00	$1,765.00	—
41	Add	1	41-46-2005	TP1 Compartment - Door Open Sensor, Compt Door	$180.00	$180.00	—
42	Delete	1	24-19-0100	TC1 Compartment - Lever Latch, Black, Non-Locking, Round Button, Each	$53.00	$-53.00	—
43	Add	1	24-19-200	TC1 Compartment - Lever Latch, Black, Locking, 1250 Key Type, Round Button, Each	$83.00	$83.00	—
44	Delete	1	24-05-2310	DS Fwd. SCBA Pack Storage - SCBA Stge, Drivers, Rear Wheelwell, 8" Round, Cal-Fire 2022	$294.00	$-294.00	—
45	Delete	1	24-05-2450	DS Fwd. SCBA Pack Storage - SCBA Door, Cast Products, Lever Latch	$199.00	$-199.00	—
46	Delete	1	24-05-2500	DS Fwd. SCBA Pack Storage - SCBA Tube, Plastic, w/ Mat	$39.00	$-39.00	—
47	Delete	1	24-19-0415	DS Fwd. SCBA Pack Storage - Lever Latch, Textured Chrome Raised Button, Non-locking, Each	$39.00	$-39.00	—
48	Delete	1	24-05-7000	DS Fwd. SCBA Pack Storage - SCBA Cylinder Tether, 1" Nylon	$41.00	$-41.00	—

#	Action	Qty	Option	Description	Item Price	Extended Price	Lead Time (Days)
49	Add	1	24-05-2305	DS Fwd. SCBA Pack Storage - SCBA Compt, Drivers, Rwd Whlwell, Full Pack Storage	$1,316.70	$1,316.70	—
50	Add	1	24-05-2465	DS Fwd. SCBA Pack Storage - SCBA Door, Painted Stainless Steel	$798.00	$798.00	—
51	Add	1	24-19-0411	DS Fwd. SCBA Pack Storage - Lever Latch, Black, Locking-1250, Round Button, Each	$87.00	$87.00	—
52	Delete	1	24-05-2450	DS rear. SCBA Bottle Storage - SCBA Door, Cast Products, Lever Latch	$199.00	$-199.00	—
53	Delete	1	24-19-0415	DS rear. SCBA Bottle Storage - Lever Latch, Textured Chrome Raised Button, Non-locking, Each	$53.00	$-53.00	—
54	Add	1	24-05-2465	DS rear. SCBA Bottle Storage - SCBA Door, Painted Stainless Steel	$798.00	$798.00	—
55	Add	1	24-19-0410	DS rear. SCBA Bottle Storage - Lever Latch, Black, Non-Locking, Round Button, Each	$87.00	$87.00	—
56	Delete	1	24-05-6315	PS Fwd. SCBA Pack Storage - SCBA Stge, Psngr, Rear Wheelwell, 8" Round, Cal-Fire 2022	$294.00	$-294.00	—
57	Delete	1	24-05-2450	PS Fwd. SCBA Pack Storage - SCBA Door, Cast Products, Lever Latch	$199.00	$-199.00	—
58	Delete	1	24-05-2500	PS Fwd. SCBA Pack Storage - SCBA Tube, Plastic, w/ Mat	$39.00	$-39.00	—
59	Delete	1	24-19-0415	PS Fwd. SCBA Pack Storage - Lever Latch, Textured Chrome Raised Button, Non-locking, Each	$39.00	$-39.00	—
60	Delete	1	24-05-7000	PS Fwd. SCBA Pack Storage - SCBA Cylinder Tether, 1" Nylon	$41.00	$-41.00	—
61	Add	1	24-05-6305	PS Fwd. SCBA Pack Storage - SCBA Compt, Psngr, Rwd Whlwell, Full Pack Storage	$1,316.70	$1,316.70	—
62	Add	1	24-05-2465	PS Fwd. SCBA Pack Storage - SCBA Door, Painted Stainless Steel	$798.00	$798.00	—
63	Add	1	24-19-0411	PS Fwd. SCBA Pack Storage - Lever Latch, Black, Locking-1250, Round Button, Each	$87.00	$87.00	—
64	Delete	1	24-05-2450	PS Rear SCBA Bottle Storage - SCBA Door, Cast Products, Lever Latch	$199.00	$-199.00	—
65	Delete	1	24-19-0415	PS Rear SCBA Bottle Storage - Lever Latch, Textured Chrome Raised Button, Non-locking, Each	$53.00	$-53.00	—
66	Add	1	24-05-2465	PS Rear SCBA Bottle Storage - SCBA Door, Painted Stainless Steel	$798.00	$798.00	—
67	Add	1	24-19-0410	PS Rear SCBA Bottle Storage - Lever Latch, Black, Non-Locking, Round Button, Each	$87.00	$87.00	—
68	Delete	1	24-33-5120	Hosebed Flaps, Color, Red	$0.00	$0.00	—
69	Add	1	24-33-5110	24-33-5110 - Hosebed Flaps, Color, Black	$0.00	$0.00	—
70	Delete	1	40-10-1145	Front Console - Electrical Console, Cab, BME, Cal-Fire 2022	$3,889.00	$-3,889.00	—
71	Add	1	40-10-1255	Front Console - Electrical Console, Cab, BME, Navistar HV, (4 Door), AP-00-001998	$5,410.00	$5,410.00	—
72	Delete	1	42-21-3310	Front Console - 12 Volt Pwr Source, Switched Battery	$0.00	$0.00	—
73	Add	1	42-21-3305	Front Console - 12 Volt Pwr Source, Battery Hot	$0.00	$0.00	—

#	Action	Qty	Option	Description	Item Price	Extended Price	Lead Time (Days)
74	Delete	1	40-10-1800	Rear Console - Rear of Center Console Helmet Mounting Board, Cal-Fire 2022	$144.00	$-144.00	—
75	Add	1	40-10-1146	12Volt Disconnect Switch, mounted to front console, to control console circuits	$450.00	$450.00	—
76	Delete	1	40-15-6202	Kussmaul Auto Eject Cover, Red	$0.00	$0.00	—
77	Add	1	40-15-6202	Kussmaul Auto Eject Cover, Yellow	$0.00	$0.00	—
78	Delete	1	41-36-5455	Rear Scene Light - Scene Light, Whelen, Pioneer PCH1P1. QTY 2	$1,906.20	$-1,906.20	—
79	Add	1	41-36-5300	Rear Scene - Scene Light, Whelen, PCPSM1C, LED - Rear. QTY 2	$1,766.00	$1,766.00	—
80	Add	1	41-40-6400	rear Scene - Scene Light Switching, Rear, Automatic Back-Up	$211.00	$211.00	—
81	Clarification	1		Scene light switching rear auto back up to be tied into rear under bumper micros only.	$0.00	$0.00	—
82	Clarification	1		Option Pricing - Upper Zone B&D Scene; PCPSM1C qty (2) = $1,722.00 Side Scene; PCPM2C qty (2) = $3,018.00	$0.00	$0.00	—
83	Add	1	02-73-9501	Front Bumper Bezel - Ruby Red Reflective background	$50.00	$50.00	—
84	Add	1	42-10-3905	Radio Pre-Wire - one (1) additional for a total of two (2)	$387.00	$387.00	—
85	Delete	1	80-65-1320	Painting, Cal Fire Spec, *Special*	$0.00	$0.00	—
86	Clarification	1		Lightbar - Lightbar to have steady burning forward facing red.	$0.00	$0.00	—
87	Clarification	1		Paint Spray outs verified and signed by "G. Lopez"	$0.00	$0.00	—
88	Delete	1	40-30-1305	License Plate Mounting, Front	$72.00	$-72.00	—
89	Add	1	35-70-3210	SCBA Mntgs, ZICO, Walkaway, UH-6-30-2-SF. QTY 4	$1,164.00	$1,164.00	—
90	Clarification	1		SCBA brackets to be installed post final inspection.	$0.00	$0.00	—
91	Add	1	42-21-1560	P2 Compartment - Power Point, BlueSea 12V Accessory Panel, USB, 12V	$319.00	$319.00	—
92	Delete	1	40-10-1155	Rear Console, Cab, Navistar HV, Freighliner, AP-00-008392	$2,778.00	$-2,778.00	—
93	Add	1	40-10-1160	Rear Console, Cab, Navistar HV, AP-00-018699	$3,759.00	$3,759.00	—
94	Delete	1	42-21-3310	Rear Console - 12 Volt Pwr Source, Switched Battery - 12V & USB	$0.00	$0.00	—
95	Add	1	42-21-3305	Rear Console - 12 Volt Pwr Source, Battery Hot - 12V & USB	$0.00	$0.00	—

Change Order Breakdown	
Total Additions	$32,621.90
Total Deletions	$-18,046.50

Change Order History		
Change Order	Status	Total
Change Order 1	Locked	$15,905.41
Total Change Orders		**$15,905.41**

Current Change Order Summary	
Per Unit Sub-Total	$14,575.40
Number of Units Purchased	1
Change Order Sub-Total	$14,575.40
Current Day State Sales Tax Rate	9.125%
Sales Tax	$1,330.01
Total of This Change Order	**$15,905.41**

Change Orders Due Prior To Delivery or Pick-Up – Customer shall pay any balance due as a result of Change Orders to GSFA prior to GSFA's delivery of the applicable Product (or Customer's pick up of such Product at GSFA's facilities, if approved by GSFA). GSFA shall have no obligation to deliver, or permit pick up of the Product if the Customer has not made full payment prior to delivery or pick-up.

CONTINUED FORCE AND EFFECT – Except as expressly modified herein, the terms and provisions of the Agreement shall remain in full force and effect and are hereby ratified and confirmed by Customer and GSFA, and this Change Order is incorporated into the Agreement by this reference.

MANDATORY CHANGE ORDERS – Notwithstanding any other provision contained herein, if this Change Order is being submitted by GSFA to Customer pursuant to Section 8.b of the Standard Terms and Conditions (such Change Order, a "Mandatory Change Order"), then Customer shall execute this Change Order, and Customer's failure to do so shall not relieve Customer of its obligations for the changes reflected herein, as provided in the Agreement.

EFFECTIVE DATE – The effective date of this Change Order shall be: (i) if operating as a Response (as defined in the Standard Terms and Conditions) to a proposed change order submitted by Customer, the date set forth beside Customer's name in the signature block below (provided that such date is within the seven (7) days allowed for acceptance by Customer under Section 8.a of the Standard Terms and Conditions); (ii) if submitted by GSFA and not a Mandatory Change Order, the date set forth beside Customer's name in the signature block below; or (iii) if submitted by GSFA and a Mandatory Change Order, the earlier of the date set forth beside Customer's name in the signature block below or fifteen (15) days following Customer's receipt of this Change Order (for the avoidance of doubt, regardless of whether Customer has signed this Change Order as of such date) (such applicable date, the "Effective Date"). Notwithstanding the foregoing, to the extent any provision of this Change Order requires the review and approval of the Manufacturer (including, without limitation, any engineering review required in connection with proposed Customer changes which will alter Product Specifications), such provision shall not be effective unless and until the Manufacturer conducts such review and GSFA receives such approval.

COUNTERPARTS – This Change Order may be executed in multiple counterparts, each of which shall be deemed an original (including copies sent to a party by electronic transmission) as against the party signing such counterpart, but which together shall constitute one and the same instrument. A signed copy of this Change Order delivered by facsimile, email or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Change Order. If this Change Order is returned to GSFA with the signature of Customer's authorized representative but without an attestation or co-signers signature, then absent Customer's written notice to the contrary, GSFA shall be entitled to rely on such single signature as sufficient evidence of the signatory's authority to execute this Change Order and bind Customer thereby.

INTENDING TO CREATE A BINDING AGREEMENT, Customer and GSFA have each caused this Change Order to be executed by their duly authorized representatives effective as of the Effective Date.

ACCEPTED AND AGREED TO BY CUSTOMER

Greg Lopez
Division Chief

ACCEPTED AND AGREED TO BY GOLDEN STATE FIRE APPARATUS

Dewayne Young
Golden State Fire Apparatus

GOLDEN STATE FIRE

Job Number(s):	3950
Change Order:	2
Change Order Range:	— - —

Customer: Gilroy Fire Dept (301)

Submitted	Contact	Email	Proposal #	Manufacturer	Created By
03/18/2026	Greg Lopez	gregory.lopez@cityofgilroy.org	—	BME Fire Trucks, LLC.	Dewayne Young

By executing this change order (this "Change Order"), Golden State Fire Apparatus, Inc. ("GSFA") and the customer identified above ("Customer") hereby agree to the below-listed modifications to the agreement identified by the above GSFA Proposal Number —, BME Fire Trucks, LLC. job number(s) 3950 (such agreement and all exhibits and attachments thereto, the "Agreement"), as well as any additional charges or credits associated with such modifications. Capitalized terms used but not defined herein have the meanings given to them in the Agreement.

#	Action	Qty	Option	Description	Item Price	Extended Price	Lead Time (Days)
01	Add	1		Cab Repaint - Documented in BME Change Order 1	$7,500.00	$7,500.00	—
02	Add	1		Body Side Scene Lights - Option Pricing quoted by BME - Upper Zone B&D Scene; PCPSM1C qty (2) = $1,722.00 Side Scene;	$1,722.00	$1,722.00	—

Change Order Breakdown	
Total Additions	$9,222.00
Total Deletions	$0.00

Change Order History		
Change Order	Status	Total
Change Order 1	Locked	$15,905.41
Change Order 2	Active	$10,063.51
Total Change Orders		**$25,968.92**

Current Change Order Summary	
Per Unit Sub-Total	$9,222.00
Number of Units Purchased	1
Change Order Sub-Total	$9,222.00
Current Day State Sales Tax Rate	9.125%
Sales Tax	$841.51
Total of This Change Order	**$10,063.51**

Change Orders Due Prior To Delivery or Pick-Up – Customer shall pay any balance due as a result of Change Orders to GSFA prior to GSFA's delivery of the applicable Product (or Customer's pick up of such Product at GSFA's facilities, if approved by GSFA). GSFA shall have no obligation to deliver, or permit pick up of the Product if the Customer has not made full payment prior to delivery or pick-up.

CONTINUED FORCE AND EFFECT – Except as expressly modified herein, the terms and provisions of the Agreement shall remain in full force and effect and are hereby ratified and confirmed by Customer and GSFA, and this Change Order is incorporated into the Agreement by this reference.

MANDATORY CHANGE ORDERS – Notwithstanding any other provision contained herein, if this Change Order is being submitted by GSFA to Customer pursuant to Section 8.b of the Standard Terms and Conditions (such Change Order, a "Mandatory Change Order"), then Customer shall execute this Change Order,

and Customer's failure to do so shall not relieve Customer of its obligations for the changes reflected herein, as provided in the Agreement.

EFFECTIVE DATE – The effective date of this Change Order shall be: (i) if operating as a Response (as defined in the Standard Terms and Conditions) to a proposed change order submitted by Customer, the date set forth beside Customer's name in the signature block below (provided that such date is within the seven (7) days allowed for acceptance by Customer under Section 8.a of the Standard Terms and Conditions); (ii) if submitted by GSFA and not a Mandatory Change Order, the date set forth beside Customer's name in the signature block below; or (iii) if submitted by GSFA and a Mandatory Change Order, the earlier of the date set forth beside Customer's name in the signature block below or fifteen (15) days following Customer's receipt of this Change Order (for the avoidance of doubt, regardless of whether Customer has signed this Change Order as of such date) (such applicable date, the "Effective Date"). Notwithstanding the foregoing, to the extent any provision of this Change Order requires the review and approval of the Manufacturer (including, without limitation, any engineering review required in connection with proposed Customer changes which will alter Product Specifications), such provision shall not be effective unless and until the Manufacturer conducts such review and GSFA receives such approval.

COUNTERPARTS – This Change Order may be executed in multiple counterparts, each of which shall be deemed an original (including copies sent to a party by electronic transmission) as against the party signing such counterpart, but which together shall constitute one and the same instrument. A signed copy of this Change Order delivered by facsimile, email or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Change Order. If this Change Order is returned to GSFA with the signature of Customer's authorized representative but without an attestation or co-signers signature, then absent Customer's written notice to the contrary, GSFA shall be entitled to rely on such single signature as sufficient evidence of the signatory's authority to execute this Change Order and bind Customer thereby.

INTENDING TO CREATE A BINDING AGREEMENT, Customer and GSFA have each caused this Change Order to be executed by their duly authorized representatives effective as of the Effective Date.

ACCEPTED AND AGREED TO BY CUSTOMER

_____

Greg Lopez
Division Chief

ACCEPTED AND AGREED TO BY GOLDEN STATE FIRE APPARATUS

_____

Dewayne Young
Golden State Fire Apparatus

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Notice of Completion for the FY25 Citywide Pavement Rehabilitation Project No. 25-PW-295 and Approval of a Final Contract Amount of $6,911,105.66**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Public Works
Submitted by:	Nisha Patel, City Engineer
Prepared by:	Julie Oates, Engineer

STRATEGIC PLAN GOALS: Maintain and Improve City Infrastructure

RECOMMENDATION

1. Approve the Notice of Completion for the FY25 Citywide Pavement Rehabilitation Project No. 25-PW-295, and
2. Approve a final contract amount of $6,911,105.66 for the FY25 Citywide Pavement Rehabilitation Project No. 25-PW-295.

EXECUTIVE SUMMARY

Construction of the FY25 Citywide Pavement Rehabilitation Project (Project) was completed by McKim Corporation, and Public Works staff have reviewed and approved the performed work. The Project consisted of pavement grinding and asphalt concrete overlay of twelve street segments and two alley segments, pavement striping and markings, and associated work. The street segments were selected based on the City's Pavement Management Program, StreetSaver, which evaluates and prioritizes maintenance of the City's overall road network.

Staff recommends the City Council approve the Notice of Completion and approve a final contract in the amount of $6,911,105.66 with McKim Corporation for the FY25 Citywide Pavement Rehabilitation Project No. 25-PW-295.

BACKGROUND

On June 16, 2025, City Council awarded the contract to McKim Corporation in the amount of $6,479,784.04 with a project contingency of $647,978.96 for a total allocation of $7,127,763.00 and authorized the City Administrator to execute the contract and associated documents.

ANALYSIS

The Project scope of work included pavement grinding and asphalt overlay of twelve street segments and two alley segments, pavement striping and markings, and associated work. Construction change orders resulted in a net increase of $431,321.62 to the Project for a final contract amount of $6,911,105.66.

Contract work was performed primarily between August 2025 and October 2025. Following completion of change order work and punch list items, the Project was deemed complete. Project documentation has been finalized, and all punch list items have been addressed by the contractor.

Staff recommends the City Council approve the Notice of Completion and the final contract in the amount of $6,911,105.66 with McKim Corporation for the FY25 Citywide Pavement Rehabilitation Project No. 25-PW-295.

ALTERNATIVES

N/A

FISCAL IMPACT/FUNDING SOURCE

Construction of the Project was funded by Gas Taxes (205), SB1 Road Funds (210), Measure B (212), and Vehicle Registration Fees (220). There were no impacts to the City's General Fund.

The total Project construction cost was $6,911,105.66. The remaining balance of $216,657.34 will go back into the City's Gas Tax Fund (205). The Project's funding sources and amounts are summarized below.

Funding Source	**Amount**
Gas Taxes (205)	$283,342.66
Road Funds SB1	$3,293,591.00
Measure B (212)	$3,006,409.00
Vehicle Registration Fees (220)	$327,763.00
Total	**$6,911,105.66**

PUBLIC OUTREACH

N/A

NEXT STEPS

N/A

Attachments:

1. 25-PW-295 NOC

RECORDING REQUESTED BY:

City of Gilroy

WHEN RECORDED, MAIL TO:
City Clerk's Office
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

RECORD WITHOUT FEE UNDER SECTION 27383 GOVERNMENT CODE OF STATE OF CALIFORNIA

Notice of Completion

FY25 Citywide Pavement Rehabilitation Project
Project No. 25-PW-295
McKim Corporation

SEPARATE PAGE PURSUANT TO GOVT. CODE 27361.6

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that, as of the 6th day of April, 2026, the City of Gilroy, California ("City") has accepted as completed the work required to be performed under the following agreement ("Agreement") by and between McKim Corporation ("Contractor") and City:

FY25 Citywide Pavement Rehabilitation Project
Project No. 25-PW-295
McKim Corporation

Project No.: 25-PW-295

Contractor Name: McKim Corporation

Contractor Address: 8505 Church Street #1, Gilroy, CA 95020

Surety on Contract: Great Midwest Insurance Company

Location of Project: Gilroy, California

Description of Work:

The work includes furnishing all labor, materials, incidentals, and equipment necessary to perform pavement rehabilitation of various roads including pavement digouts; pavement milling; hot mix asphalt pavement overlay; concrete flatwork; adjustment of utilities to grade; installation of traffic stripes, pavement markings and markers, and roadside signs; replacement of traffic signal loops; tree removal and replacement; traffic control; and other incidentals thereto.

Interest of City:
_____ Owner in Fee
_____ Vendee under Agreement to Purchase
_____ Lessee
_____ Owner of Easements
_____ Holder of License
__X__ Owner of Streets
_____ Owner of Utilities, Water, Sewer, Storm Systems

Owner's Name/Address: City of Gilroy, 7351 Rosanna Street, Gilroy, CA 95020

Work Done: See above, Description of Work

This notice is given in accordance with the provisions of Section 3093 of the Civil Code of the State of California.

The undersigned, being duly sworn, deposes and says:

That I am an officer of the City of Gilroy, that I have read the foregoing Notice of Acceptance of Completion and know the contents thereof; and that the same is true of my own knowledge, except as to those matters that I believe to be true. I certify under penalty of perjury that the foregoing is true and correct.

Executed at the City of Gilroy, County of Santa Clara, State of California, on March 25, ~~2026~~ 2026 NP.

CITY OF GILROY

BY: _____
Nisha Patel
TITLE: City Engineer

CALIFORNIA ACKNOWLEDGMENT CIVIL CODE § 1189

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

State of California
County of Santa Clara }

On March 25, 2026 before me, Kim Mancera, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared Nisha Patel
Name(s) of Signer(s)

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

KIM MANCERA
Notary Public - California
Santa Clara County
Commission # 2520714
My Comm. Expires May 18, 2029

Place Notary Seal and/or Stamp Above

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

WITNESS my hand and official seal.

Signature Kim Mancera
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer – Title(s): _____	☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General	☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer is Representing: _____	Signer is Representing: _____

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City of Gilroy
STAFF REPORT

Agenda Item Title:	**Consent the City Administrator's Recommendation to Appoint Harjot Sangha to the Department Head Position of Assistant City Administrator**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Administration
Submitted by:	Matt Morley, City Administrator
Prepared by:	Matt Morley, City Administrator

STRATEGIC PLAN GOALS:

RECOMMENDATION

Consent the City Administrator's Recommendation to Appoint Harjot Sangha to the Department Head Position of Assistant City Administrator.

EXECUTIVE SUMMARY

Following an update to the City's Position Control List, the City of Gilroy has an Assistant City Administrator (ACA) position available.

BACKGROUND

At the March 16, 2026 City Council meeting, the City Council approved an update to the City's Position Control List, which included the classification of the vacant Assistant to the City Administrator to an Assistant City Administrator (ACA). The City Administrator has identified Finance Director Harjot Sangha to serve in this role. Harjot recently served as Interim City Administrator for the period of January 5, 2026 - February 8, 2026. Harjot has demonstrated the skills and expertise that will bring immense value to the city.

ANALYSIS

N/A

ALTERNATIVES

The alternative is to forego the appointment of Harjot Sangha, and this alternative is not recommended.

FISCAL IMPACT/FUNDING SOURCE

There is no fiscal impact associated with this appointment. The fiscal impact associated with the position change was recognized at the March 16, 2026, City Council meeting for FY27.

PUBLIC OUTREACH

N/A

NEXT STEPS

Following Council approval of this interim appointment, Harjot Sangha will assume the necessary duties and responsibilities of the Assitant City Administrator.

Attachments:

None

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Council Award a Contract to Pros Consulting for the Recreation Division Assessment in the Amount of $372,690 and Adopt a Resolution Amending the Fiscal Year 2026 Budget in the Recreation Fund**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Administration
Submitted by:	Bryce Atkins, Deputy Director of Community Development
Prepared by:	Bryce Atkins, Deputy Director of Community Development

STRATEGIC PLAN GOALS: Develop a Financially Resilient Organization
Ensure Neighborhood Equity from City Services

RECOMMENDATION

Council:

1. Award the contract to Pros Consulting and authorize the City Administrator to execute the agreement; and
2. Adopt the attached budget amendment resolution.

EXECUTIVE SUMMARY

BACKGROUND

During the City's budget and strategic planning process, the City Council identified the need to conduct a comprehensive assessment of the City's Recreation Division. The assessment was intended to evaluate several policy and operational issues, including the ongoing $1.5 million General Fund contribution supporting recreation services,

community concerns regarding the affordability of youth recreation programs, the best approach to the aquatics program, and staffing and organizational needs associated with requested position additions during the budget process.

Given that decisions regarding recreation programming, funding levels, staffing, and service delivery are interrelated, Council determined that a comprehensive evaluation of recreation operations was necessary to inform future policy direction and ensure long-term financial and operational sustainability of recreation services.

At its regular meeting on September 15, 2025, the City Council considered whether the assessment should be conducted internally by City staff or performed by an outside consultant. Following discussion of the relative advantages and trade-offs of each approach—including considerations related to objectivity, staff capacity, cost, and timeline—the Council directed staff to pursue engaging an independent consultant to complete the Recreation Division assessment.

Following Council direction, staff prepared a draft scope of work outlining the proposed assessment components and distributed it to the City Council on November 6, 2025, for review and comment. Council feedback included consideration of additional partnership opportunities, such as potential recreation programming at the Library, as well as questions regarding funding sources for the assessment.

To maintain project momentum and avoid delays associated with Assembly Bill 339, staff released the Recreation Assessment Request for Proposals (RFP) on December 18, 2025. Issuance of the RFP allowed the procurement process to proceed while still providing the City Council an opportunity to review and request modifications through subsequent Council consideration and issuance of an addendum, if desired.

The Recreation Assessment is intended to provide the City Council with objective analysis and actionable recommendations on recreation programming, organizational structure, service delivery models, and financial sustainability, to inform future policy decisions.

ANALYSIS

The City received four proposals for the recreation assessment RFP. The four proposals were scored by an evaluation team comprised of the Recreation Manager, Assistant to the City Administrator, and a Management Analyst Trainee. Attached to this report are the scores for each proposal. Below are the combined average scores, in order from highest to lowest score.

Firm Name	Average Score	Proposal Amount
Pros Consulting	88	$372,690

BerryDunn	81	$298,007
Matrix	79	$188,780
Raftelis	69	$99,200

All four firms were then invited to a question-and-answer format interview about their proposals.

Pros Consulting scored the highest. The evaluation team felt their firm, and the assigned team in particular, had the most experience conducting these types of assessments for recreation functions among all proposals received. Additionally, their proposed methodology and deliverables were fully aligned with the scope of work in the RFP, and their interview responses were the most insightful. The evaluation team is most confident that Pros Consulting will conduct the assessment to the highest quality. The evaluation team determined that BerryDunn and Matrix could also conduct the assessment, though the methodology appeared more general in nature. However, staff is not confident that Raftelis understood the project or that their cost proposal fully covered the scope of work.

Pros Consulting’s cost proposal is the highest. However, staff feel that there is value in pursuing the full amount of their proposal, for the following reasons:

- The assessment will impact the Recreation Division's operations and growth over the next 10–20 years and will provide guidance and information to staff and Council for both strategic planning and budget development.
- The accumulated fund balance in the Recreation Fund may not be as robust in the future and may not be able to afford the very thorough and complex assessment proposed in this effort.
- As mentioned previously, the subjects of review raised by the Council are interdependent, as are they with the other aspects of the operation. Assessing them in their entirety simultaneously provides the most accurate assessment and the most meaningful recommendations and effective implementation.
- Pros Consulting is already familiar with Gilroy, having conducted the recreation needs assessment just before the COVID-19 pandemic, and understands some of the community dynamics. The previous work demonstrated the firm’s reliability, quality, and timely delivery, even during the pandemic.
- Pros Consulting set aside time during the interview to explain their inclusive and thoughtful approach to reaching out to “hard-to-reach" populations, especially our Spanish-speaking residents and those with limited access to technology.
- Their team qualifications seem to be the best of the team proposals, with extensive experience in program and service analysis, working with

municipalities on similar projects.

ALTERNATIVES

As an alternative to the recommended action, Council may:

1. Award to Pros Consulting, removing the facility assessment, bringing the total award to $259,918.
2. Award to Pros Consulting, setting the dollar figure to $225,000, and City staff and the consultant can negotiate the maximum possible scope of work within the budget.
3. Award the contract to another firm, or with another award amount.

FISCAL IMPACT/FUNDING SOURCE

$372,690 from the Recreation Fund. As mentioned when receiving direction to pursue an outside consultant for the assessment, additional funds would need to be appropriated into the budget. The Recreation Fund is projected to have $1.3 million in available fund balance at the end of the current fiscal year that may be used for this assessment. This available balance excludes the amount already appropriated for the Las Animas Pickleball Courts Project. Attached is a resolution amending the budget for Council adoption.

PUBLIC OUTREACH

This subject has been discussed at prior Council meetings. Additionally, there is a large public outreach component to this project, which will be advertised to encourage participation.

NEXT STEPS

If awarded, staff will finalize and execute the contract and commence the project.

Attachments:

1. Budget Amendment Resolution - Recreation Assessment Award
2. Score Card
3. PROS Consulting Proposal
4. BerryDunn Proposal
5. Matrix Consulting Group Proposal

6. Raftelis Proposal
7. Recreation Assessment RFP

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING THE BUDGET FOR THE CITY OF GILROY FOR FISCAL YEAR 2026 IN THE RECREATION FUND AND APPROPRIATING PROPOSED AMENDMENTS

WHEREAS, the City Administrator prepared and submitted to the City Council a budget for the City of Gilroy for Fiscal Years 2026 and 2027, and the City Council carefully examined, considered, and adopted the same on June 2, 2025; and

WHEREAS, City Staff has prepared and submitted to the City Council a proposed amendment to said budget for Fiscal Year 2026 for the City of Gilroy in the staff report dated April 6, 2026, for the awarding of a contract for the Recreation Division assessment; and

WHEREAS, the City Council has carefully examined and considered the same and is satisfied with said budget amendments.

NOW, THEREFORE, BE IT RESOLVED that appropriations to the expenditure accounts in the Recreation Fund (Fund 290) are hereby increased by $372,690 for Fiscal Year 2026.

PASSED AND ADOPTED this 6th day of April 2026 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

_____

Greg Bozzo, Mayor

ATTEST:

_____

Kim Mancera, City Clerk

CERTIFICATE OF THE CLERK

I, **KIM MANCERA**, City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2026-XX** is an original resolution, or true and correct copy of a City Resolution, duly adopted by the Council of the City of Gilroy at a Regular Meeting held on **Monday, April 6, 2026**, with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **Date**.

_____
Kim Mancera
City Clerk of the City of Gilroy

(Seal)

Proposal Firm: BerryDunn					
Criteria	Max Possible Score	Reviewer 1	Reviewer 2	Reviewer 3	Average Score
Consultant's experience and qualifications as they relate to the scope of services of the RFP	25	23.0	23.0	23.0	23.0
Project methodology and understanding of the assessment needs	25	21.0	20.0	21.0	20.7
Staffing plan and team's individual qualifications	20	20.0	18.0	19.0	19.0
Prior work example	15	10.0	11.0	9.0	10.0
Cost proposal	10	3.3	3.3	3.3	3.3
Project Schedule	5	5.0	5.0	5.0	5.0
TOTAL	**100**	**82.3**	**80.3**	**80.3**	**81.0**

Proposal Firm: Matrix Consulting Group					
Criteria	Max Possible Score	Reviewer 1	Reviewer 2	Reviewer 3	Average Score
Consultant's experience and qualifications as they relate to the scope of services of the RFP	25	24.0	19.0	22.0	21.7
Project methodology and understanding of the assessment needs	25	21.0	18.0	19.0	19.3
Staffing plan and team's individual qualifications	20	20.0	10.0	18.0	16.0
Prior work example	15	15.0	12.0	10.0	12.3
Cost proposal	10	5.3	5.3	5.3	5.3
Project Schedule	5	5.0	5.0	4.0	4.7
TOTAL	**100**	**90.3**	**69.3**	**78.3**	**79.3**

Proposal Firm: Raftelis					
Criteria	Max Possible Score	Reviewer 1	Reviewer 2	Reviewer 3	Average Score
Consultant's experience and qualifications as they relate to the scope of services of the RFP	25	15.0	18.0	15.0	16.0
Project methodology and understanding of the assessment needs	25	20.0	15.0	12.0	15.7
Staffing plan and team's individual qualifications	20	15.0	10.0	14.0	13.0
Prior work example	15	12.0	12.0	11.0	11.7
Cost proposal	10	10.0	10.0	10.0	10.0
Project Schedule	5	3.0	2.0	3.0	2.7
TOTAL	**100**	**75.0**	**67.0**	**65.0**	**69.0**

Proposal Firm: Pros Consulting					
Criteria	Max Possible Score	Reviewer 1	Reviewer 2	Reviewer 3	Average Score
Consultant's experience and qualifications as they relate to the scope of services of the RFP	25	25.0	24.0	24.0	24.3
Project methodology and understanding of the assessment needs	25	25.0	25.0	19.0	23.0
Staffing plan and team's individual qualifications	20	20.0	20.0	20.0	20.0
Prior work example	15	15.0	15.0	12.0	14.0
Cost proposal	10	2.7	2.7	2.7	2.7
Project Schedule	5	4.0	5.0	4.0	4.3
TOTAL	**100**	**91.7**	**91.7**	**81.7**	**88.4**

Request for Proposals No. 26-RFP-AD-531:

Recreation Division Assessment

February 6, 2026

Prepared By:

ETC INSTITUTE

10% believe in possibility

GROUP 4 ARCHITECTURE

ktua

pros consulting INC.

Inspiring Communities to Action

February 6, 2026

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020-6197

Cover Letter

RE: Request for Proposals: 26-RFP-AD-531 City of Gilroy Recreation Division Assessment

Dear Selection Committee:

On behalf of PROS Consulting, LLC, I am pleased to submit our proposal for the City of Gilroy Recreation Division Assessment in response to the City's Request for Proposals.

Consultant Legal Name and Corporate Structure: PROS Consulting, LLC is a privately held incorporated company specializing exclusively in parks, recreation, and community services planning, operational analysis, and financial sustainability for public agencies.

Firm Credentials: PROS Consulting brings nearly 30 years of national experience delivering recreation assessments, operational studies, cost recovery analyses, staffing evaluations, and implementation-focused plans for cities, counties, and special districts across the United States. Our team is composed of former parks and recreation directors, senior municipal managers, and subject-matter experts with direct experience implementing the types of recommendations contemplated under this RFP.

Understanding of the Work and Qualifications: We understand that the City of Gilroy is seeking a practical, decision-ready Recreation Division Assessment that evaluates programs, staffing, facilities, financial sustainability, equity, and partnerships within real-world operational and fiscal constraints. The City does not need a vision-based master plan, but rather a clear, defensible assessment that supports near- and long-term decisions. PROS Consulting is uniquely qualified to perform this work due to our practitioner-led approach, disciplined integration of community engagement and technical analysis, and proven ability to translate findings into actionable recommendations that City leadership can confidently implement.

Subconsultants: PROS Consulting proposes the following subconsultants to support this engagement:

KTUA – Community outreach, park system inventory, GIS analysis, level of service evaluation, and outdoor capital prioritization

ETC Institute – Statistically valid community survey and engagement analytics

110% – Cost-of-service analysis, cost recovery evaluation, and fee policy development

Group 4 Architecture, Research + Planning – Indoor facility assessment, utilization analysis, and capital improvement planning

Each subconsultant will perform work directly aligned with their specialized expertise and the City's scope of work, under the direction and integration of PROS Consulting.

10664 S. Indian Wells Dr.
Goodyear, Arizona 85338

35 Whittington Dr.
Suite 300
Brownsburg, IN 46112

877.242.7760
877.242.7761
prosconsulting.com

Inspiring
Communities
to Lead
Forward

Conflict of Interest Statement: PROS Consulting certifies that neither the firm nor any individual who will perform work under this contract has any conflict of interest, including employment by the City of Gilroy, which would impair our ability to perform the services described in this RFP.

Agreement Acknowledgement: PROS Consulting acknowledges that it has reviewed the City of Gilroy's standard professional services agreement and accepts the agreement without modification.

Primary Contact

Michael Svetz, Principal, PROS Consulting, Inc
10664 S. Indian Wells Drive
Goodyear, AZ 85338

Email: Michael.svetz@prosconsulting.com
Telephone: 623 388-1787

We appreciate the opportunity to submit this proposal and look forward to the possibility of partnering with the City of Gilroy to deliver a clear, defensible, and implementation-ready Recreation Division Assessment.

Sincerely,
PROS Consulting

Leon Younger

Leon Younger, President

201 South Capitol Avenue
Suite 505
Indianapolis, Indiana 46225
877.242.7760
877.242.7761
prosconsulting.com

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Executive Summary

PROS Consulting, in partnership with KTUA, ETC Institute, 110%, and Group 4, submits a senior-led, low-risk proposal to complete the City of Gilroy Recreation Division Assessment. This team has been intentionally assembled to deliver a decision-ready evaluation that addresses recreation operations, staffing, facilities, and financial sustainability with clarity, discipline, and immediate applicability.

The proposed team brings complementary expertise across the full scope of work: PROS Consulting provides overall leadership, synthesis, and implementation planning; KTUA leads park system and outdoor asset analysis; ETC Institute delivers statistically valid community survey research; 110% conducts cost-of-service, cost recovery, and fee policy analysis; and Group 4 evaluates indoor facilities, utilization, and capital needs. Each firm is responsible for discrete, clearly defined tasks aligned directly with the City's requirements.

This proposal demonstrates a clear understanding of Gilroy's operating realities, including limited staffing capacity, reliance on seasonal service delivery, aging assets, affordability expectations, and increasing pressure for accountability and defensible decision-making. The proposed approach is designed to evaluate not only what services are desired, but what can be realistically staffed, funded, and sustained over time.

The methodology integrates community input, operational analysis, financial evaluation, program lifecycle assessment, and park and facility analysis into a single, coordinated framework. Implementation considerations are embedded throughout the process so staffing impacts, financial implications, and policy decisions are evaluated alongside findings rather than deferred to a later phase.

The result is a focused set of prioritized recommendations supported by transparent analysis, defined tradeoffs, and clear implementation steps. Deliverables are structured for immediate use by City staff, the Parks and Recreation Commission, and City Council, including a defensible needs assessment, staffing and financial strategies, capital prioritization, and a phased implementation roadmap.

The PROS Consulting Team Advantage

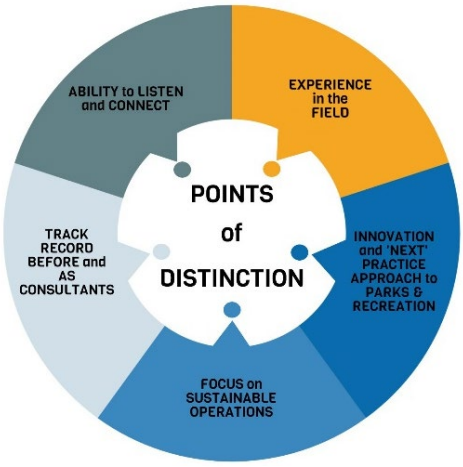
PROS Consulting serves as the integrator and strategic lead for this engagement, bringing nearly three decades of exclusive focus on parks, recreation, and community services planning for public agencies. The PROS team is composed of former parks and recreation directors, senior municipal managers, and national subject-matter experts who understand how recommendations perform once they leave the report and enter real-world budgets, staffing plans, and Council agendas.

What differentiates PROS is its ability to translate complex analysis into clear, implementable decisions. Rather than producing aspirational plans, PROS emphasizes operational feasibility, financial defensibility, and phased implementation grounded in staffing capacity and funding reality. This approach reduces risk for the City by ensuring recommendations are actionable, politically defensible, and aligned with how local governments actually operate.

PROS' role as prime consultant ensures disciplined project management, consistent synthesis across subconsultants, and a single point of accountability for quality, schedule, and outcomes. The result is a cohesive assessment that moves beyond findings to provide City leadership with the confidence and tools needed to act.

Section 1 – Company Background

Who is PROS Consulting?



PROS Consulting is a small firm with a big presence in the field of management consulting for public entities and non-profit organizations. With a small team of highly professional and experienced consultants, PROS is a flexible firm that is agile to the evolving dynamics of the social, economic, and political environments our clients operate in. PROS is among only a small handful of firms that have tremendous experience in the field as practitioners and have become nationally recognized for helping to shape and further transform the industry of parks and recreation. The full name and location of the office that will be working on this project are:

Full Legal Company Name: PROS Consulting, Inc.

Headquarters: 35 Whittington Dr., Suite 300; Brownsburg, Indiana 46112.

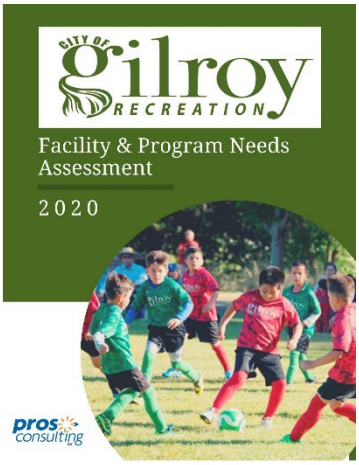
P: 877.242.7760; F: 877.242.7761

Contact Information: 10664 S. Indian Wells Dr.; Goodyear, AZ 85338

Project Manager: Michael Svetz, Principal; 623.388.1787; michael.svetz@prosconsulting.com

PROS Quick Facts

- In the last 31 years, PROS Consulting has completed more than 1,000 projects in over 47 states and numerous projects internationally in seven countries.
- The **PROS Team has worked in highly diverse environments** from the inner cities of Los Angeles, Miami, Atlanta, and Dallas to desert communities in Nevada and Arizona to remote areas in Appalachia, Montana, and the American West. Our experience includes working with the best-of-the-best, the worst-of-the-worst, and a lot in between.



- Our planning team has a great depth of operational experience with **over 100 combined years as former parks and recreation managers**. This perspective of being trained "in the industry" and not just "on the industry" allows us to relate to communities and their residents, recreationalists of all types, and to understand the unique relevance of needs that can be most appropriately served by our clients. In other words, great recreational and park planning is not just collecting surveys and reporting results – it is about **achieving a sustainable balance of services, meeting community needs, and resource protection with community fulfillment.**
- This project is not about the PROS Team or what we think is best for your organization and stakeholders, nor do we believe that what works in some parts of the country will work here. This project is about producing **reliable, sustainable, relevant, and innovative outcomes for the City of Gilroy, and the people that live, work, and play in the region.**

Section 2 - Company and Project Team Qualifications

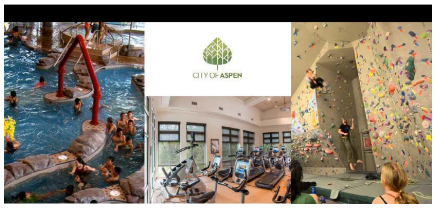
PROS Consulting Qualifications

Management consulting and planning services offered by PROS span the full spectrum of planning needs for public agencies, and are grouped into the following practice areas:

- **Strategic Planning** – completed over 400 strategic plans for cities, counties and state agencies to help them become established in their market or to reposition themselves.
- **Master Planning** – completed over 500 master plans for parks and park systems that have been successfully implemented and driven over $5 billion worth of capital investment.
- **Programming Analysis** – As part of many of our Master Plans or Strategic Plans, PROS utilizes our PROS Program Positioning Model, or 3PM. The outcome of the process is the creation of a dynamic recreation program plan that results in increased registration, drives customer retention and loyalty, improves customer satisfaction, and increases revenues. We have completed over 300 program plans for systems across the country.
- **Needs Assessment** – completed over 300 needs assessments as a precursor of doing a Master Plan, Strategic Plan or Feasibility Study.
- **Operations, Maintenance and Organizational Development** – PROS has completed over 450 plans that involved operations, maintenance, and organizational development components.
- **Financial Planning and Management** – PROS is most renowned for providing the most innovative and proven methods for financial planning and management in the public sector with direct experience with over 150 proven ways to fund public parks and park systems.
- **Feasibility Studies and Business Planning** – PROS has completed over 200 feasibility studies and business plans, often counseling our clients on how they can shape their projects and their vision around the reality of what is feasible and sustainable.

Aspen Recreation Division
Business Plan

2024



"PROS Consulting has proved to be responsive, innovative, and sensitive to the unique needs and interests of our community. Based on the recently completed Parks and Recreation Master Plan, I am confident it will provide us a sound framework for decision-making for the next five years and beyond. PROS has assisted us to become CAPRA Accredited and the NRPA Gold Medal award-winning park system CCPR is today on many planning projects and has played an integral role in CCPR's planning efforts for over two decades."

Unique Experience Specific to the Project

Central to our project approach is providing a high level of responsiveness to the City of Gilroy Recreation Division staff and maintaining accessibility throughout the project lifespan. Our team is flexible and will work efficiently to effectively serve as an extension of the City's project staff.

PROS has three CAPRA Visitors on staff and have worked with nearly 40% of CAPRA accredited agencies, as well as 55% of NRPA Gold Medal Winners.

The matrix below illustrates why our Consulting Team is the most qualified.

Qualifications	PROS Consulting Differentiator
Parks & Recreation Management	130+ years of combined practitioner and planning experience in parks and recreation.
Public Agency Planning Expertise	Completed 1,150+ planning projects across municipal, county, and regional agencies.
Public Sector Finance & Budgeting	Delivered 175+ cost-of-service, financial management, and revenue enhancement studies for public agencies.
Park-Centric Partnerships	Assisted 110+ agencies in developing and sustaining innovative public, nonprofit, and private partnerships.
Fiscal & Financial Planning	Completed 220+ business plans at the park, facility, sector, and system levels.
Community Engagement & Facilitation	Facilitated 4,600+ in-person and virtual public meetings, workshops, and focus groups nationwide.
Staff Training & Development	Designed and delivered training programs for 10,000+ parks and recreation professionals over 29 years.
CAPRA & NRPA Gold Medal Experience	Since 2012, supported 55% of NRPA Gold Medal agencies and nearly 40% of CAPRA-accredited agencies; two CAPRA Visitors on staff.
Regional & Local Government Experience	Extensive experience across Arizona and the Southwest, including Phoenix, Casa Grande, Oro Valley, Scottsdale, Goodyear, Buckeye, Chandler, Palm Springs, CA, Clark County, NV and many others.
Forensic Accounting & Economic Analysis	Integrate forensic accounting into all financial studies; former public finance director and CPA on staff.
Operational & Programming Analysis	Completed 375+ system-wide and site-specific operational and program assessments.
Statistically Valid Surveys & Benchmarking	Conducted 830+ statistically valid surveys and developed North American best-practice benchmarks.

Management and Organizational Capabilities

PROS Consulting operates as a highly integrated national firm specializing exclusively in public-sector parks, recreation, and open space management consulting. Our organizational structure is intentionally lean and senior-led, ensuring every project benefits from direct Principal involvement from kickoff to completion.

Our team model combines centralized project management with flexible task distribution across specialized practice areas including planning, finance, operations, engagement, and GIS. This approach ensures continuity, consistency, and accountability, allowing PROS to complete more than 1,000 parks and recreation planning projects without disruption or duplication of effort.

Unlike larger multi-disciplinary firms, PROS' project teams are composed of seasoned practitioners who are former park directors, operations managers, and finance professionals that understand how recommendations translate into implementable outcomes.

Quality and Cost Control Procedures

Quality assurance and fiscal accountability are embedded in every phase of our process. Our three-tiered internal review system includes technical, financial, and narrative validation prior to client delivery. Each deliverable, whether a memo, analysis, or report, is independently reviewed by the Principal and our internal Quality Control (QC) Review Panel to ensure accuracy, clarity, and alignment with project objectives.

At the core of our consulting approach is the commitment to deliver tailored assistance that precisely aligns with our clients' requirements. To prevent the need for change orders, our services are structured around a fixed, not-to-exceed fee based on a thorough understanding of the project's parameters and deliverables. This fixed-fee approach ensures accountability and transparency, providing the City with predictable costs and clearly defined expectations.

The fee structure for this project is based on the approach outlined in the Scope of Work and will reflect PROS's extensive experience delivering similar master plans throughout Arizona.

- The proposed fee will be a not-to-exceed amount, inclusive of all costs, both direct and indirect, such as travel, materials, and reimbursable expenses.
- PROS employs a transparent pricing model, ensuring that clients fully understand how project budgets are allocated and tracked.
- We do not request change orders or additional fees unless there is a substantial addition of scope after contract execution.
- We remain flexible in refining approach and cost to align with client outcomes and budgeting needs and welcome the opportunity to discuss options collaboratively.

This disciplined yet adaptable process has resulted in a 98% on-budget record over the last five years across all master plan projects.

Beyond project completion, PROS remains committed to our clients as trusted advisors, offering continued assistance during implementation to ensure recommendations are achievable, measurable, and sustainable.

Accountability and Change Order Prevention

PROS's methodology is designed to anticipate, not react to, project challenges. Our firm commits to clear, measurable deliverables tied to the approved scope and timeline. Prior to project start, PROS provides the City with:

- A detailed project schedule aligned to milestones and deliverables.
- Defined decision points to ensure shared accountability between PROS and the City.
- A risk mitigation plan identifying potential schedule or coordination challenges early in the process.

Because our planning process is built around transparent communication, scope clarity, and proactive coordination, change orders are virtually eliminated, except in cases of client-requested scope expansion.

Ability to Stay on Task and Meet Schedule

PROS has a long-standing record of on-time and on-budget project delivery, supported by our internal Project Management Plan (PMP) system that tracks milestones, dependencies, and review cycles.

Each project includes:

- A dedicated Project Manager responsible for day-to-day coordination and progress reporting.
- Internal team check-ins and regular client updates.
- Cloud-based task management is accessible to all team members for real-time visibility.

Our firm's size and structure allow us to be responsive without bureaucratic delay, a critical advantage in maintaining schedule discipline.

PROS Consulting Resumes

Michael Svetz, Principal

Education

- B.S., Miami University, OH 1990
- M.S., Miami University, OH 1991

Employment History

- Principal, PROS Consulting; 2012 to present.
- Director of Parks and Recreation, City of Goodyear, AZ; 2009 to 2012
- Director of Parks and Recreation, City of Charlottesville, VA; 2004 to 2009
- Director of Parks and Recreation, City of Strongsville, OH 2000 to 2004
- Assistant Director of Parks and Recreation, City of Strongsville, OH 1997 to 2000
- Recreation Supervisor, City of Brunswick, OH 1991 to 1997)

Professional Experience

Michael Svetz brings 35 years of parks and recreation experience with local governments, including 15 years in executive leadership roles. He has served as Director in Strongsville, Ohio; Charlottesville, Virginia; and most recently Goodyear, Arizona. His career includes developing and implementing innovative business practices to create self-sustaining operations for multimillion-dollar community centers, golf courses, and Major League Baseball spring training complex. Mike has led the development and execution of strategic and master plans for the agencies he directed as well as city and state associations. His background reflects deep expertise in organizational development, community engagement, board and city council relations, and political navigation, all core elements of effective parks and recreation planning. Since joining PROS Consulting, Mike has managed a wide range of projects in master planning, program and event planning, land use planning, business planning, maintenance, and strategic implementation. His project management discipline and operational insight have supported the creation of innovative, fiscally sustainable solutions for communities across the U.S.

Similar Project Experience

- Apex, CO Recreation District Strategic Plan and Cost Recovery Study
- Aspen, CO Recreation Division Business Planning Services
- Tukwila, WA Recreation Division Program Plan and Community Center Business Plan
- Virginia Beach, VA Sports Management Unit Operational Assessment
- Clark County, NV Parks and Recreation Strategic Master Plan
- Palm Springs, CA Parks and Recreation Master Plan
- Phoenix, AZ Parks and Recreation Master Plan
- Scottsdale, AZ Parks and Recreation Master Plan
- Chandler, AZ Parks and Recreation Master Plan
- Douglas, AZ Parks and Recreation Master Plan
- Oro Valley, AZ Parks and Recreation Master Plan
- Casa Grande, AZ Parks and Recreation Master Plan
- Fort Collins, CO Parks and Recreation Master Plan

Jayne Miller, Principal

Education

- M.A., University of Maryland
- B.A., Midland Lutheran College

Employment History

- CEO, Jayne Miller Consulting, June 2020 to present
- President/CEO, Pittsburgh Parks Conservancy, Feb. 2018 to Oct. 2020
- Superintendent, Minneapolis Park & Recreation Board, Nov. 2010 to Feb. 2018
- Director, Huron-Clinton Metropolitan Authority, March 2010 – Sept. 2010
- Community Services Area Administrator, City of Ann Arbor, Aug. 2003 to Feb. 2010
- Parks & Recreation Manager, City of Ann Arbor, Aug. 2000 to Aug. 2003

Professional Experience

Jayne brings 40 years of parks, recreation, and leisure services experience, including more than 20 years in senior executive leadership across public and nonprofit organizations. An internationally recognized leader in urban parks and equitable investment strategies, she has served as President & CEO of the Pittsburgh Parks Conservancy, Superintendent of the Minneapolis Park & Recreation Board, Director of the Huron-Clinton Metropolitan Authority, and in multiple leadership roles for the City of Ann Arbor. Under her leadership, both Pittsburgh and Minneapolis received national recognition for advancing social equity, including NRPA and state awards of excellence. Jayne is a frequent national and international speaker and currently serves on the boards of City Parks Alliance and World Urban Parks (Board Chair), and is a CAPRA Commissioner, Park Foundation School Director, and American Academy of Park and Recreation Administration Fellow.

Similar Project Experience

- Redmond, WA Comprehensive Recreation Program Plan
- Louisville, KY Parks For All Action Plan, Parks and Recreation Master Plan
- Study of Maryland State Parks System
- Cleveland, OH Parks and Recreation Master Plan
- Durham, NC Parks and Recreation Master Plan
- Fargo, ND Parks and Recreation Master Plan
- Five Rivers Metroparks, OH Parks and Recreation Master Plan
- BREC, East Baton Rouge Parish, LA Community Engagement Policy
- Cuyahoga Valley National Forest Conservancy Strategic Plan
- Pittsburgh Parks Conservancy, PA, Restoring Pittsburgh Parks, Parks and Recreation Master Plan
- Pittsburgh Parks Conservancy, PA, Led PPC fundraising in 2019 raising $12.1M in 9 months – most funds raised in a single period over the PPC's 23-year history
- Minneapolis Park & Recreation Board, MN, 20 Year Neighborhood Park Plan

Nick Deardorf, Senior Business Analyst

Education

B.S., Indiana University – Kelley School of Business
M.B.A, Indiana University – Kelley School of Business

Employment History

Consultant, PROS Consulting, 2013 to 2021 and 2026 to current
Consultant, Resultant, 2021 to 2026

Professional Experience

Nick serves as a Senior Business Analyst at PROS, where he specializes in using data and business intelligence to provide actionable insights for public agencies. Following a short tenure in technology consulting focused on data-driven outcomes, Nick returned to PROS to help agencies utilize data to drive organizational efficiency and bridge the gap between analytics and strategic implementation. His expertise encompasses a wide range of planning efforts, including assessments, feasibility studies, market analysis, business process improvement, forecast modeling, and organizational development and training. Nick's professional foundation is strengthened by nearly two decades of work in hospitality, providing him with a unique perspective on service excellence and stakeholder engagement. Beyond his consulting work, Nick is a dedicated community leader, serving as the President and Founder of a youth sports non-profit and volunteering as a coach for local youth athletics. He combines a high-level business acumen with an extroverted, service-oriented approach to help agencies maximize their potential and achieve sustainable community outcomes.

Similar Project Experience

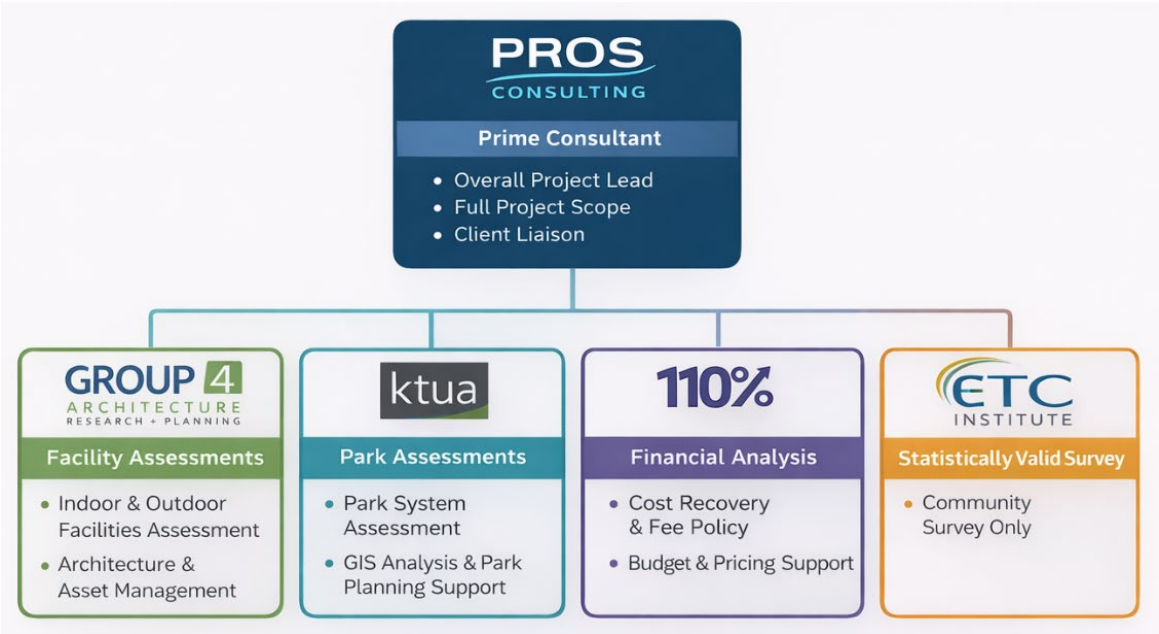
- Gilroy, CA Parks and Recreation Needs Assessment
- Walnut Creek, CA Strategic Plan
- Chino, CA Parks and Recreation Master Plan
- Los Angeles County, CA Business and Operations Strategic Plan
- Brownsburg, IN B.A.S.E (Before and After-school Enrichment Program) Business Plan
- Indianapolis, IN Parks, Recreation, and Open Space Master Plan
- Chicago Park District, IL Customer Service and Leadership Training
- Channahon, IL Park District Master Plan
- Marysville, OH Parks and Recreation Master Plan
- Huber Heights, OH Needs Assessment and Master Plan
- Great Parks of Hamilton County, OH Comprehensive Master Plan
- Five Rivers MetroParks, OH Comprehensive Master Plan
- Canton Leisure Services, MI Strategic Plan
- Streamwood Park District, IL Marketing Plan
- Virginia Beach Parks and Recreation, VA Strategic Plan
- City of Livonia, MI Customer Service Training
- Hot Springs, AR Northwoods Urban Forest Park Feasibility Study
- Town of Blacksburg, VA Employee Training Portal

The PROS Consulting Advantage

Focus Area	PROS Consulting Advantage
Management and Organization	Senior-led teams with deep California and national recreation operations experience, led by former parks and recreation executives delivering practical, implementable recommendations.
Quality and Cost Control	Fixed, not-to-exceed pricing with clear task alignment, strong quality control, and a proven record of budget discipline.
Accountability	Clearly defined scope, deliverables, and milestones aligned to Gilroy's RFP, supported by regular coordination and documented check-ins.
Schedule Adherence	Proven ability to deliver complex California municipal assessments on schedule using disciplined project management and experienced teams.

Project Team Qualifications

We have expanded our expertise and capabilities to best serve the needs of the City of Gilroy. The subconsultants proposed for this team are chosen for their specific expertise to ensure the highest level of innovation and successful outcome. Services can be scaled up or down depending on need. Our entire team is inspired and excited to develop a planning document that elevates parks and recreation for the Gilroy community.



110%

110% has served the parks and recreation field for 16 years and counting by inspiring ethical decision making, strengthening leadership competencies, and ensuring the financial sustainability of parks and recreation. We offer three categories of services: Education, Presentations & Trainings (including the popular Financial Sustainability Certificate Program), Financial Sustainability Strategies, and Planning Initiatives (i.e., Master, Strategic, and Comprehensive Plans). Over the past five years alone, 110% has worked with more than 150 public-sector clients to help organizations and professionals position themselves for long-term resilience, strength, and vitality.

Services Provided: Master Plans, Strategic Plans, Comprehensive Plans, Financial Sustainability / Cost Recovery Strategies, Financial Analyses (including Capital Improvement Planning), Recreation Service / Program Analyses, Staffing and Organizational Analyses, 1:1 Coaching, Team Coaching, Financial Sustainability Certificate Program Classes, Presentations

Farrell Buller
Principal | Certified Leadership Coach | Trainer

Biography

Farrell has more than 20 years in progressively responsible leadership roles. She has focused on achieving results for leaders and their teams, successfully leading organizations of 500+ employees, with budgets of up to $80M, as well as smaller organizations and teams. As a graduate of the University of Northern Colorado in Therapeutic Recreation and as a former Parks and Recreation Director and City Manager, Farrell embraced her passion for serving others.

She brings the ability to impact, influence, and inspire leaders at all levels. Farrell is the recipient of several awards, including Outstanding New Professional of the Year, Mid-West Region Professional of the Year, and the Pottsie Development Scholarship. You can often find Farrell and her family intentionally taking the "road less traveled" as they discover their next adventure!

Work History

110%, Inc.
Principal & Certified Executive Coach, Jan 2021 - present

Town of Erie, CO
Deputy Town Administrator, Feb 2019 - Jan 2021
Acting Town Administrator, May 2018 - Jan 2019
Assistant to the Town Administrator, Sep 2017 - Apr 2018
Director of Parks and Recreation, Mar 2014 - Sep 2017

City of Lakewood, CO
Recreation Division Manager, Apr 2011 - Mar 2014

City of Commerce City, CO
Recreation Division Manager, Oct 2004 - Jan 2011

City of Boulder, CO
Recreation Coordinator, Jan 2000 - Oct 2004

Education

Directors Summit
Lead Facilitator; Invitation-only Symposium, 2023, 2024, 2025

Clemson University
Think Tank: Invitation-only Symposium, 2019

Altruism Institute
Invitation-only Symposium, 2016

Agents of Change
Invitation-only Symposium, 2015-2018

National Recreation & Park Association
Directors School Graduate, 2015

University of Northern Colorado
Bachelor of Science Degree in Recreation/Therapeutic, 1997

Select Client List

City of Merced, CA
Parks & Recreation Master Plan, 2025 - present

City of Northglenn, CO
Financial Sustainability Strategy, 2023 - 2024

Town of Addison, TX
Parkland Dedication Study, 2023 - 2024

City of West University Place, TX
Operations Analysis & Financial Sustainability Strategy, 2022, 2023, 2024

City of Fort Collins, CO
Leadership Development & Professional Coaching, 2023 - present

Group 4

Group 4 Architecture, Research + Planning, Inc. is a nationally recognized, California-based architecture and planning firm with more than 40 years of experience supporting public agencies in the planning, assessment, and implementation of parks, recreation, aquatic, and community facilities. Founded in 1976, Group 4 has partnered with cities, counties, and special districts across the country to evaluate existing facilities, align assets with community needs, and develop actionable capital improvement strategies grounded in operational and financial realities.

A core strength of Group 4's approach is its emphasis on operational sustainability. Facility recommendations are evaluated not only for physical condition and community need, but also for staffing efficiency, programmability, revenue potential, maintenance requirements, and long-term cost implications. This aligns directly with the City of Gilroy's need for a practical, implementable CIP roadmap that balances service expectations with fiscal responsibility.

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Dawn Merkes

Burlingame Community Center

Cosumnes Community Services District Elk Grove Park Master Plan

DAWN MERKES AIA LEED
PRINCIPAL

Dawn Merkes is a leader in planning, programming, and community engagement for public-sector community and recreation projects. An active proponent of user-based, values-driven planning, she has played a central role in shaping Group 4's pre-design approach—helping communities align vision, operations, and funding to support successful, generational investments in civic and recreational facilities.

Dawn has led engagement and programming efforts for many of Group 4's most significant projects, including the San Bruno Recreation and Aquatic Center, Burlingame Community Center, and Foster City Recreation Center. She has also guided the development of firmwide tools and resources for engagement, assessment, and facilities planning that empower informed, transparent decision-making. Known for her clear communication and facilitation skills, Dawn frequently presents on planning and design topics at the California Parks & Recreation Society (CPRS).

EDUCATION AND REGISTRATION

Bachelor of Architecture, Montana St. University, Bozeman
Registered Architect, State of California, C24206
LEED Accredited Professional BD+C

REPRESENTATIVE PROJECTS

- *Alameda Parks & Recreation Facilities Master Plan*
- *Belmont Community Center Master Plan*
- *Burlingame Community Center*
- *Cathedral City Community/Rec Center Feasibility Study*
- *Cosumnes Community Services District Elk Grove Park Master Plan*
- *Elk Grove Civic Center South Campus Master Plan*
- *Fairfield Matt Garcia Park Master Plan*
- *Fairfield Parks, Recreation & Open Space Master Plan*
- *Foster City Recreation Center*
- *Fremont Community Center*
- *Gonzales Community Center*
- *Moraga Parks, Recreation, & Open Space Master Plan*
- *Newark Civic Center Master Plan*
- *Palo Alto Mitchell Park Master Plan*
- *Palo Alto Mitchell Park Library + Community Center*
- *San Bruno Recreation & Aquatic Center*
- *San Leandro Senior Community Center*
- *San Pablo David Park Master Plan*
- *Santa Clara County Fire Department Master Plan*
- *Solano County Library Facilities Master Plan*
- *South San Francisco Civic Center Master Plan*
- *Terra Linda Park and Community Center Master Plan*
- *Union City Holly Community Center Feasibility Study*
- *West Sacramento Community Center*

KTUA

KTUA is a California-based planning and landscape architecture firm with more than 55 years of experience supporting public agencies in the assessment, planning, and implementation of parks, recreation facilities, trails, and outdoor public assets. Founded in 1970, KTUA brings a multidisciplinary team of planners, landscape architects, GIS analysts, and designers focused on creating functional, equitable, and sustainable outdoor environments that serve diverse community needs.

KTUA's experience in parks and recreation planning, active transportation, and natural resource management positions the firm well to support Gilroy's evaluation of indoor and outdoor facilities, LOS and access analysis, and long-range capital planning. As a long-standing California corporation with a 28-person multidisciplinary staff, KTUA provides both regional knowledge and scalable technical capacity to support the park assessments and capital improvement roadmap under Task 6.

Jacob Leon | Senior Associate Planner / Outreach Facilitator

Education

- Bachelor of Landscape Architecture, Minor of Sustainable Environments, California Polytechnic State University, San Luis Obispo, 2013

Registrations

- 2014 LEED Green Associate

Affiliations

- American Society of Landscape Architects (ASLA)
- California Parks and Recreation Society (CPRS)
- American Planning Association
- Association of Pedestrian and Bicycle Professional
- ACE Mentorship Program - BOD
- SDHS Geotech Academy - BOD

Jacob Leon is dedicated to parks and recreation planning, trail and open space planning, complete streets planning, and community outreach. His project responsibilities entail project management, existing conditions analysis, overseeing community engagement, facilitating community workshops and special meetings with elected officials, and developing comprehensive project recommendations. He is passionate about raising awareness of the benefits of thoughtful urban planning and public realm design, equitable access to parks and open space, and safe transportation infrastructure. His passion for nature, parks, trails and genuine community engagement reinforces his commitment to clients and the communities he works in throughout California.

CITY OF BELLFLOWER PARKS AND RECREATION MASTER PLAN

Project manager responsible for managing subconsultants, client interaction, community engagement, monitoring data collection and analyses, developing project recommendations, and delivering an implementable master plan. Implemented a wide variety of strategies to successfully engage the city's evolving demographics to meet the Plan's major focus.

CITY OF MORENO VALLEY PARKS, COMMUNITY SERVICES & TRAILS MASTER PLAN

Project manager responsible for day-to-day tasks including subconsultant management, client interaction, community and stakeholder engagement, maintaining a successful project schedule, monitoring data collection and analysis for over 30 city parks, developing project recommendations, and delivering a user-friendly and implementable master plan. Jacob's past experience with the City's Bicycle Master Plan and the Dracaea Avenue Neighborhood Greenway project provides valuable background information to successfully manage this master plan.

TOWN OF MAMMOTH LAKES PARK AND RECREATION MASTER PLAN

Currently overseeing all efforts for the development of the master plan. Active roles include ensuring all major project milestones are on track to be met such as community engagement (workshops, pop-ups, surveys, website, and focus group meetings). Also responsible for helping manage all sub-consultants during the the existing conditions phase and in preparation for the development of recommendations that are planned for Summer of 2026.

CITY OF EL MIRAGE PARKS AND RECREATION MASTER PLAN

Oversaw all efforts for the development of the master plan that KTUA was responsible for as a sub-consultant to 110%. Major active roles included leading community engagement efforts such as workshops and pop-ups as well as attending focus group meetings. Responsible for the existing conditions analysis and the development of recommendations. Oversaw the development of conceptual drawings for the expansion of Basin Park. Led the team in creating two preliminary concepts, and one final concept based on community feedback and existing conditions. Conceptual cost estimates were also developed for the final concept plan. Also led the development of a planning-level trails plan and design guidelines to help the City make informed decisions regarding the location of future paved and unpaved trails to connect people to and from parks and open spaces.

ETC Institute

ETC Institute is a 102-person market research firm that specializes in the design and administration of market research for governmental organizations. Our major areas of emphasis include citizen satisfaction surveys, park and recreation surveys, community planning surveys, business surveys, transportation surveys, employee surveys, voter opinion surveys, focus groups, and stakeholder interviews. Since 1982, ETC Institute has completed research projects for organizations in 49 states. ETC Institute has designed and administered more than 3,500 statistically valid surveys and our team of professional researchers has moderated more than 1,000 focus groups and 2,000 stakeholder meetings. During the past five years alone, ETC Institute has administered surveys in more than 700 cities and counties across the United States.

Core services of the firm involve conducting statistically valid surveys and related market research. ETC Institute has conducted more than 600 surveys for parks and recreation systems in 46 states across the Country for a wide variety of projects including parks and recreation master plans, strategic plans, and feasibility studies. PROS Consulting and ETC Institute have teamed up on more than 500 similar parks and recreation projects.

Ryan Murray

ETC Institute Director of Community Research

Education

B.S. in Public Administration – The University of Kansas

Summary of Professional Experience

Mr. Murray has over 12 years of experience in survey administration, development, supervision, and research analysis. Throughout his tenure at ETC Institute Mr. Murray has had the pleasure of working on survey projects that cover a wide variety of topics, including parks and recreation, community planning, customer satisfaction, transportation, employee, library, comprehensive planning, parks and recreation master plans, water and utility, and business development. His current role as Project Manager includes survey design, developing sampling plans, quantitative and qualitative data analysis, interpretation of results, and presentation of findings. In his previous role he planned, coordinated, and supervised the administration of large-scale origin-destination transportation studies on over a dozen projects throughout the country. Mr. Murray has worked as a Project Manager on projects for over fifty state, county, local, and private sector clients.

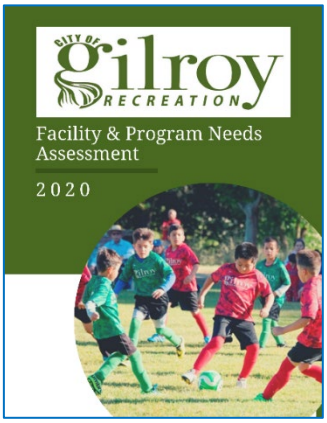
Similar Project Experience

Mr. Murray has served as a project manager for over 175 parks and recreation surveys for local governmental organizations.

Section 3 – References

CITY OF GILROY, CA RECREATION FACILITY AND PROGRAM NEEDS ASSESSMENT (2020)

Gilroy, California



The City of Gilroy ("City") is a hard-working, suburban community, full of rich heritage and vibrant culture. It is a youthful city with strong family values that is well known throughout the bay area and beyond as the Garlic Capital of the World. Gilroy has a storied past that makes it unique and represents a community that is defined by its resiliency. Like many great cities, Gilroy also provides enhanced quality of life for residents through its parks, trails, and recreational facilities. The Gilroy Recreation Division ("GRD") plays a vital role in the community by providing access to recreation opportunities through the provision of quality programs and services.

In an effort to optimize the delivery of services, the City, with support from the Mt. Madonna YMCA for the community survey, hired PROS Consulting for the development of a Facility and Program Needs Assessment ("Assessment"). This Assessment included a robust community engagement process and market research to identify current and future resident needs related to recreation programs and facilities. The research is used in tandem with industry knowledge and an internal assessment to determine strategic priorities for advancing GRD and increasing access to quality recreation in the City.

It is important to note that the Covid-19 Pandemic began during the final steps of the Needs Assessment. Not only did this create major shifts to the organization in the midst of the Assessment, but the extensive community engagement process and feedback from residents was collected prior to the pandemic. Every effort was made to reevaluate the Assessment and address GRD in its current state, post-pandemic; however, there were some components of the Assessment, such as community input, which were not feasible to update. The following goals were established for the Needs Assessment:

- Engage the diverse Gilroy community served by the GRD and YMCA, leadership, and stakeholders through an inclusive, and innovative public outreach process to build a shared vision for facilities and programs.
- Utilize a wide variety of data sources and best practices including a bi-lingual (English and Spanish) statistically valid survey to predict trends and patterns of use and how to address unmet facility and program needs in Gilroy served by the GRD and YMCA.
- Determine unique Level of Service Standards and utilization to develop appropriate actions regarding that reflects the GRD and YMCA's strong commitment in providing high quality facilities and programs for the Gilroy community.
- Understand program capacity and compatibility with users through innovation and "next" practices for the GRD and YMCA to achieve the strategic objectives, identify current and project future recreation facility demands, and highlight revenue and partnerships.
- Develop a prioritized needs assessment to ensure long-term success through a data driven and community values supported approach.

Client Reference: Mr. Adam Henig, Recreation Manager; 7351 Rosanna St.; Gilroy, CA 95020; 408.846.0577; adam.henig@cityofgilroy.org

CITY OF VIRGINIA BEACH, VA REVIEW OF DIVISION OF SPORTS MANAGEMENT UNIT (2025)

Virginia Beach, Virginia

City of Virgina Beach Parks and Recreation
Sports Management Unit Study

2025

CITY OF VIRGINIA BEACH

Virginia Beach Parks & Recreation is dedicated to promoting healthy lifestyles and protecting its coastal environment; ensuring all residents – regardless of their physical, social, and economic circumstances – can access the programs that are offered.

A key component of the Parks & Recreation Department is the Sports Management Unit. This unit was founded in 2013 and was formed from combining three separate units with three separate coordinators: Golf Courses, City Wide Athletics, and Princess Anne Athletic Complex. In 2018 the finances of the three budget units were combined as well. City Wide Athletics has been a part of the Parks & Recreation department for decades, offering youth and adult recreational sports leagues. The Golf Courses unit was re-structured to be run through lease agreements by private managers in 2011. Princess Anne Athletic Complex (PAAC) opened in February 2007. PAAC hosted local league and small tournaments until 2013, when sports tourism came into focus. In working with the City of Virginia Beach Convention and Visitors Bureau Sports Marketing team, the Sports Management Unit has solicited, hosted, and retained numerous events that bring visitors to the city from across the country. The mission of the Sports Management Unit is to provide citizens with the opportunity to participate in diverse offering of recreational sports and contribute to increased visitations to the city through the booking of sporting events.

In 2025, PROS Consulting completed a review of the Sports Services Management Unit. The assessment included an analysis of data to develop a clear set of goals, policies, standards, and recommendations for the next ten (10) years with a focus on the operations of the Sports Management Unit. The process included staff and key leadership engagement, operational review, level of service/gap analysis, policy development, business process management, allocation principles, and financial management.

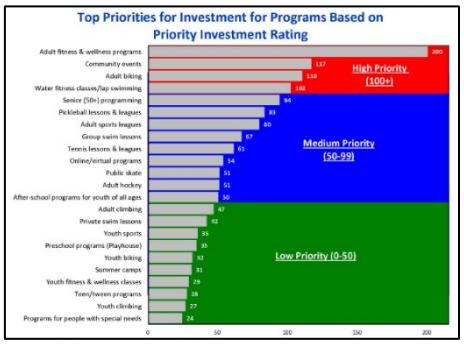
Client Reference: Mr. Michael Kirschman, Parks & Recreation Director; 2517 Landstown Rd.; Virginia Beach, VA 23456; 757.385.1122; mkirschman@vbgov.com

ASPEN RECREATION DIVISION BUSINESS PLAN (2024)

Aspen, Colorado

In 2023, PROS Consulting was retained to complete a 2024 Aspen Recreation Division Business Plan. This plan was an update to the one also completed by PROS Consulting in 2015.

The Aspen Recreation Department has an agreement with the Recreation Advisory Committee that a Business Plan must be updated every ten years. The current Business Plan was set to be re-evaluated in 2025 but given the COVID-driven impacts on public recreation facilities, early funding was granted to proceed with an updated Business Plan in 2023.The City was also looking to move to a five-year recreation business plan rather than the ten-year recreation business plan to better address the consistently evolving nature of public recreation within the Aspen community. The primary focus of the updated recreation business plan was to:



- Inform decision-making regarding the operation of all components of the identified recreation facilities and fees structure.
- Provide an analysis of current programming and fee schedules of programming, and recommendations for the future, to ensure financial sustainability and programming continuity.
- Identify internal and external partners, responsibilities, and processes to strengthen collaboration to deliver high quality community recreational services.
- Provide a cost recovery analysis and make recommendations for a preferred subsidy model based on a classification of services methodology that is unique to Aspen.
- Any other recommendations to help ensure the long-term financial sustainability of the facility and its programming.

The Aspen Recreation Division Business Plan was developed to provide the organization with a roadmap for the future using knowledge gained from community input, cost of service and program inventory review, and comparison to national standards and trends. The planning process incorporated a comprehensive series of discovery and analysis strategies to understand the workings of the organization and included a strong community engagement process.

The Aspen Recreation Division Business Plan includes a system-wide approach for accomplishing short and long-term goals, initiatives, tactics, and measurements to ensure that the Division can operate effectively, efficiently, and sustainably – while providing world-class services, programs, parks, and facilities to the community for many years to come.

Core Program/ Service Area	Benefit Level	Classification	Minimum Recommended Cost Recovery Goal	Recommended Fee Range
Adult Sports (Non-Ice)	Individual	Value-Added	75%	$700 - $1,000
Aquatics - Certification Courses	Balanced	Important	30%	$150 - $400
Aquatics - Group Lessons	Considerable Community	Mostly Essential	20%	$40 - $50
Aquatics - Private Lessons	Considerable Individual	Mostly Value Added	50%	$35 - $100
Ice - General Programs	Balanced	Important	30%	$75 - $100
Ice - Leagues	Balanced	Important	30%	$175 - $500
Ice - Summer Camps	Considerable Individual	Mostly Value Added	50%	$700 - $800
Ice Programming Admission - Daily Visit	Balanced	Important	30%	$18 - $60
Personal Training	Balanced	Important	30%	$125 - $150
Recreation Center Admission - Daily Visit	Individual	Value-Added	75%	$12 - $40
Recreation Center Admission - Punch Pass	Individual	Value-Added	75%	$120 - $600
Recreation Center Membership - 1 month	Individual	Value-Added	75%	$70 - $300
Recreation Center Membership - 3 months	Considerable Individual	Mostly Value Added	50%	$160 - $550
Recreation Center Membership - 6 months	Considerable Individual	Mostly Value Added	50%	$325 - $900
Recreation Center Membership - 12 months	Balanced	Important	30%	$550 - $1,750
Rentals and Reservations	Individual	Value-Added	75%	$10 - $500
Youth After School	Community	Essential	5%	$15 - $30
Youth Biking	Considerable Individual	Mostly Value Added	50%	$100 - $125
Youth Climbing	Considerable Individual	Mostly Value Added	50%	$100 - $525
Youth Day Camps - Specialized	Considerable Individual	Mostly Value Added	50%	$250 - $400
Youth Sports	Balanced	Important	30%	$75 - $200
Youth Summer Camps	Balanced	Important	30%	$50 - $100

Client Reference: Desiree Whitehead, Recreation Director; City of Aspen; 970.429.2083; desiree.whitehead@aspen.gov

CINCINNATI, OH RECREATION COMMISSION PROGRAM AND FACILITIES BUSINESS PLAN (2019)

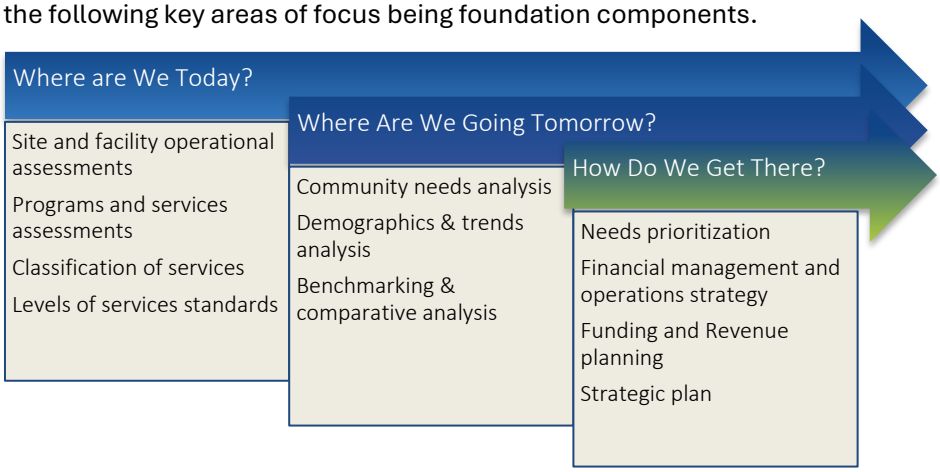
Cincinnati, Ohio

In 2019, PROS Consulting, Inc. completed a Recreation Business Plan for the Cincinnati Recreation Commission ("CRC"). The CRC is a CAPRA accredited agency and a winner for two NRPA Gold Medal awards. CRC boasts a network of citywide recreation centers which complement CRC's variety of aquatic facilities, 2,500+ acres of CRC outdoor athletic and playground facilities. Each year, millions of people visit CRC's recreational facilities and enjoy many programs at indoor recreation centers and outdoor play areas. In addition, tennis attractions and premier public golf courses make CRC a top-notch organization.

The CRC desired a Programs and Facilities Business Plan to serve as a road map for the next five years and to recommend program direction, facility operations, maintenance, and capital improvements based on community needs. The plan provided an extensive overview of the system including historical context regarding CRC's rich history and national prominence; in addition to clearly stating its current condition, needs, cost for meeting needs, and future challenges.

This plan included an inventory of current, as well as desired, facilities and programs needed to serve the community and prioritizes direction for the future programming of CRC's park and recreational assets and services. The study included a community-supported action plan that provides guidance for future development and redevelopment of programs, facilities and services.

This Business Plan created a clear set of objectives that provided direction to CRC staff and the Board of Commissioners for a short-term, mid-term and long-term range. There were numerous steps in the project, with the following key areas of focus being foundation components.



The Business Plan was developed to equip the CRC with government business principles to guide the process. The final deliverable included a dynamic and realistic strategic action plan that created a road map to ensure long-term success and financial sustainability for the CRC, as well as action steps to support cultural vibrancy, strong social connections among communities, and quality of life for the community and businesses that make Cincinnati a great place to live.

Client Reference: Mr. Daniel Betts, Director; 805 Central Ave., Suite 800; Cincinnati, OH 45202; 513.352.4006; daniel.betts@cincinnati-oh.gov

Section 4 – Proposed Methodology

A Decision-Ready Recreation Division Assessment for the City of Gilroy

The City of Gilroy Recreation Division Assessment is fundamentally a decision-support effort, not a visioning exercise. PROS Consulting is committed to delivering an assessment that is practical, data-driven, and immediately usable by City leadership, staff, and elected officials as they make near- and long-term decisions related to service delivery, staffing, facilities, and financial sustainability.

The City of Gilroy does not need a stand-alone vision document. It needs a clear, defensible understanding of current conditions, the pressures facing the Recreation Division today, and a realistic roadmap for strengthening operations over time. This assessment is structured to translate community needs, operational realities, and industry benchmarks into clear actions that can be staffed, funded, and sustained.

Our work will be guided by four core commitments, each tailored specifically to Gilroy's Recreation Division and the scope outlined in the RFP.

1. Clarity of Need, Role, and Prioritization

The assessment will establish where the Recreation Division is performing well, where capacity is constrained, and where adjustments are truly needed. This includes a clear understanding of how program demand, staffing capacity, facility condition, cost recovery, and access interact across recreation programs and facilities.

Rather than assuming expansion or growth across all service areas, the assessment will clearly define:

- Which programs and facilities are meeting community needs effectively
- Where service gaps or inequities exist
- Which assets and services require reinvestment, modification, or reprioritization
- Where current demand does not justify additional capacity

This clarity allows City leadership to prioritize with confidence, align decisions with available resources, and avoid reactive or incremental changes that do not improve overall system performance.

2. Recommendations Grounded in Gilroy's Operational Reality

Gilroy's Recreation Division operates with a small full-time staff, a reliance on part-time and seasonal employees, contract instructors, and partnerships, and a diverse service population with varying needs and abilities to pay. These realities shape what is feasible and sustainable.

All recommendations will be evaluated through the lens of:

- Staffing capacity, scheduling, and supervision requirements
- Program delivery models (City-led, contracted, or partnered)
- Facility condition, utilization, and maintenance implications
- Equity, affordability, and access considerations
- Alignment with City policies and administrative structure

This ensures recommendations are not theoretical best practices, but operationally achievable solutions that fit Gilroy's staffing model, organizational structure, and community expectations.

3. Financial and Operational Defensibility

PROS Consulting will ground all recommendations in transparent financial and operational analysis, not aspirational wish lists. The assessment will evaluate current cost recovery, subsidy levels, and fee practices and provide clear context for how financial decisions affect access, service levels, and sustainability.

This approach enables City staff and decision-makers to:

- Understand tradeoffs between affordability and financial sustainability
- Align program and facility recommendations with budget realities
- Evaluate total cost of service delivery, not just revenues
- Phase improvements in a way that matches funding and staffing capacity

The goal is to support informed decision-making, not to prescribe outcomes without a clear understanding of their implications.

4. Implementation Begins at the Start of the Assessment

Implementation is not deferred to the end of this project. From the outset, PROS will integrate implementation thinking into every phase of the assessment so findings and recommendations are actionable as they are developed.

This includes:

- Testing priorities through structured community engagement
- Evaluating partnership and contract roles alongside City responsibilities
- Identifying staffing and organizational implications early
- Structuring recommendations so they can move directly into short-, mid-, and long-term action planning

The result is an assessment that is ready for adoption and immediate use, rather than one that requires reinterpretation or follow-up studies.

City of Gilroy Context and Planning Intent

The City of Gilroy's Recreation Division plays a critical role in supporting community well-being, youth and senior services, inclusion, and quality of life. Recreation programs and facilities serve residents across age groups, income levels, and abilities and rely on a mix of City staff, seasonal employees, volunteers, and partners to deliver services.

At the same time, the Division operates within constraints that must be addressed directly:

- Limited full-time staffing capacity
- Increasing expectations for equitable access and affordability
- Aging facilities with ongoing maintenance and lifecycle needs

- Pressure to balance community benefit with financial sustainability
- The need for clearer performance measures and decision frameworks

The intent of this assessment is not simply to identify opportunities, but to define a clear, achievable path forward that strengthens the Recreation Division's ability to deliver services effectively and sustainably.

Key Note: Recreation Assessment, Not a Master Plan

This effort is intentionally structured as a Recreation Division Assessment, not a parks master plan. The focus is on:

- Programs and services
- Staffing and organization
- Financial sustainability and cost recovery
- Facility condition and utilization
- Equity, access, and partnerships
- Clear implementation actions

Why This Matters

This approach ensures the City of Gilroy receives an assessment that is specific, defensible, and grounded in reality. It is not generic, not aspirational without context, and not transferable to another community. It is designed to support confident decision-making by City staff and elected officials, from initial findings through implementation.

Scope of Services

Task 1 - Project Initiation, Background Review, & Governance

Project Kickoff and Alignment

- Meet with City leadership, Recreation Division staff, and key stakeholders.
- Confirm project goals, success measures, decision making expectations, and overall project schedule.
- Confirm roles, responsibilities, communication protocols, and coordination procedures.

Background Document Review

- Collect and review existing City documents, including budgets, fee schedules, staffing structures, organizational charts, prior plans and studies, participation data, facility condition information, and policies.
- Establish baseline conditions and identify key issues requiring further analysis in subsequent tasks.

Governance and CAPRA Alignment Review

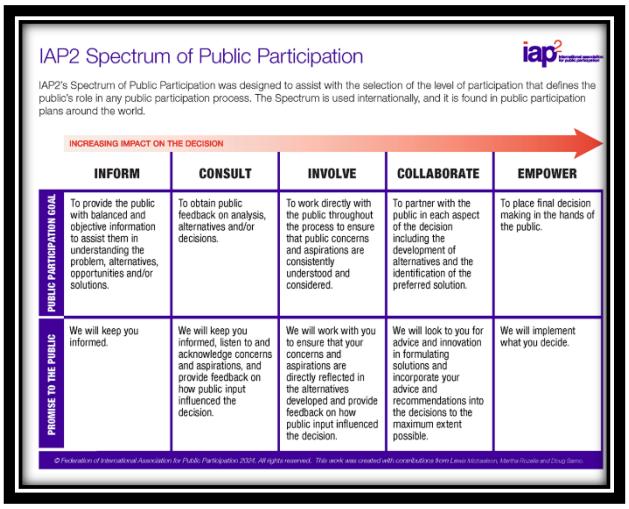
- Review existing Recreation Division policies, procedures, and governance practices.
- Assess alignment with relevant National Recreation and Park Association Commission for Accreditation of Park and Recreation Agencies standards.
- Identify gaps, risks, and near-term improvement opportunities related to governance, planning, finance, human resources, risk management, and operations.

DELIVERABLES

- Project work plan and schedule.
- Stakeholder map.
- Communications and engagement plan.
- CAPRA gap summary, noting which standards are fully/partially met and priority fixes.

Task 2 - Community Engagement and Needs Assessment

a. Engagement Strategy and Design



- Develop a community engagement strategy utilizing the IAP2 Spectrum of Public Participation Model in alignment with the goals of the Recreation Division Assessment.
- Design a mixed methods engagement approach that includes a statistically valid resident survey, intercept or on-site surveys, focus groups, and partner interviews.
- Coordinate with City staff to confirm target audiences, outreach methods, and engagement timing.
- Ensure the engagement approach reflects National Recreation and Park Association survey guidance and best practices.

b. Survey Administration and Data Collection

- Administer a statistically valid resident survey of at least 375 resident households in coordination with ETC Institute .
- Conduct intercept or on-site surveys at recreation facilities, programs, and events as appropriate.
- Facilitate focus groups with key populations, including youth, seniors, underserved communities, and program participants.
- Conduct interviews with partner organizations and service providers.

c. Community Needs and Satisfaction Analysis

- Analyze community input related to satisfaction, unmet needs, participation barriers, and desired future services.
- Evaluate results by demographic characteristics and geography where data allows.
- Identify key themes related to access, affordability, program availability, and service gaps.

DELIVERABLES

- Engagement plan and instruments (survey tool, discussion guides).
- Engagement finding report: Satisfaction, unmet needs, barriers (cost, location, time, language), priorities by demographic and geography.
- Updated needs assessment report.

Task 3 - Staffing and Organization Assessment

Organizational Structure and Role Alignment

- Review the Recreation Division organizational structure, reporting relationships, supervisory assignments, and decision-making authority.
- Assess role clarity across full time, part time, seasonal, and contract positions.
- Evaluate spans of control, layering, and functional alignment relative to current programs, facilities, and administrative responsibilities.
- Identify structural strengths and inefficiencies affecting accountability, service quality, and staff workload.

Workload, Scheduling, and Service Capacity Analysis

- Evaluate staffing workloads by functional area, program type, and service delivery model.
- Review scheduling practices, coverage requirements, and seasonal staffing patterns.
- Assess the alignment between staffing capacity and program demand, facility utilization, and peak service periods.
- Identify operational stress points where staffing capacity limits service delivery or program quality.

Recreation Program Management Function	PERCENTAGE OF TOTAL STAFF TIME ALLOCATED	ANNUAL WORK HOURS	FTE COUNT (1,864 Annual Work Hours = 1 FTE)
EXISTING STAFFING LEVELS		11,184	6.00
Dream/Develop	11%	1,236	0.66
Launch	45%	5,069	2.72
Administer	41%	4,562	2.45
Evaluate	3%	317	0.17
TOTALS	100%	11,184	6.00

Staffing Benchmarking and Comparative Analysis

- Benchmark staffing levels and ratios against National Recreation and Park Association and California Park and Recreation Society peer agencies.
- Compare staffing on a per capita basis and, where applicable, per program, per facility, or per service category.
- Evaluate how Gilroy's staffing model compares to peers with similar population size, service mix, and organizational structure.
- Identify gaps between current staffing levels and industry benchmarks.

Workforce Development and Succession Planning

- Review training practices, onboarding processes, and professional development opportunities.

- Assess supervisory capacity and readiness for staff development.
- Identify workforce development priorities tied to current and future service needs.
- Evaluate succession planning risks related to key roles, institutional knowledge, and long-term organizational stability.

Staffing Strategy and Recommendations

- Develop staffing recommendations that address identified gaps, workload pressures, and organizational inefficiencies.
- Identify no cost, low cost, and investment level staffing strategies.
- Evaluate alternative service delivery options where appropriate, including contracted or partnered models.
- Align staffing recommendations with financial, operational, and implementation considerations.

DELIVERABLES

- Organization assessment memo with options (no-cost, low-cost, investment scenarios), updated organizational chart, role definitions, and training plan.
- Peer benchmark table (City vs NRPA medians/quartiles)

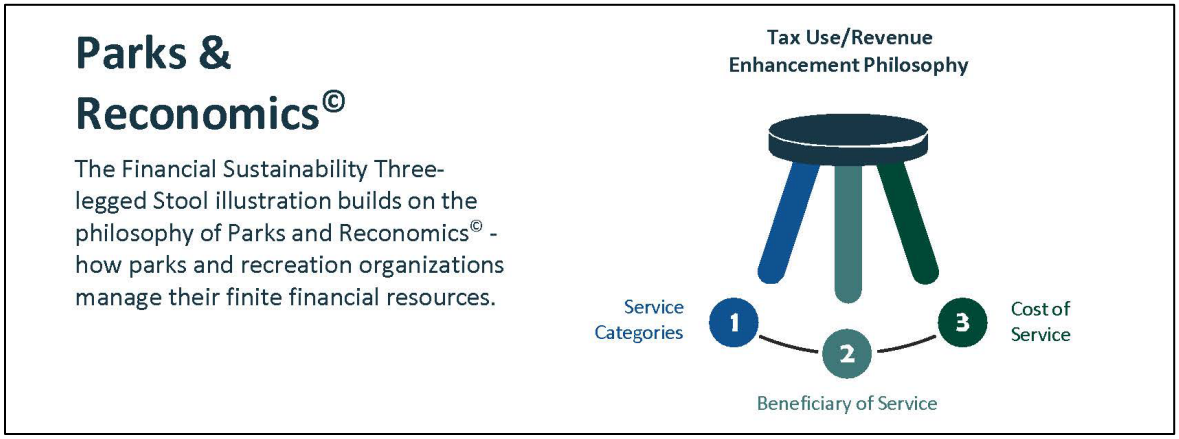
Task 4 - Financial Analysis, Cost Recovery, and Fee Policy

Financial Sustainability Strategy

To support the overall process and the Department's operation of current and future recreational programs and services most effectively, project partner 110% will develop a comprehensive Financial Sustainability Strategy. Over the past three years, 110% has completed this process, which positively impacted hundreds of organizations nationwide and helped them create a justifiable strategy providing direction specific to taxpayer investment and revenue-generating opportunities.

This process consists of the following three key focus areas:

1. Education & Training
2. Financial Analysis
3. Strategies & Recommendations



Education & Training

Financial Sustainability 101 – Staff & Board Workshops

These workshops offer a comprehensive overview of the *Financial Sustainability Strategy Process*, an explanation about why the Department would choose to engage in this effort, and how the outcomes will positively affect service delivery and quality. An introduction to financial management and cost recovery, the merits of revenue generation, how to think differently about spending/ investing taxpayer dollars, and the importance of a sound financial strategy are among the topics covered.

Service Category Development Workshop

The Department's pre-determined Service Category Development Team will work alongside 110% to develop service categories which represent all organizational services. A workshop will be led offering information and insights about service category development, the differences between services, service areas, and service categories as well as resources to support the development of categories will be provided to the team to assist in the development of categories and definitions. This is a critically important step in the development of a financial sustainability strategy that has a heightened opportunity for effectiveness.

Beneficiary of Service – Staff, Commission & Council Representatives Work Sessions

These interactive virtual work sessions allow staff, Parks & Recreation Commission, and City Council members an opportunity to rank the Department's service categories starting from those determined to align most with the "common good" to services which are more "exclusive." By ranking all service categories from "common good services" in contrast to those providing the "exclusive benefit," your organization will begin to connect the dots between those services that should receive the greatest subsidy (common good services) in contrast to those that may receive little to no subsidy (exclusive services).

Financial Analysis

Cost of Service Analysis - Operating

The cost-of-service analysis identifies the Department's total cost-of-service delivery by thoroughly reviewing and analyzing all expenses and participation/use data provided for the study period. 110% will work closely with the Department's data gathering team to ensure that all expenses and services are identified, and to develop meaningful service, facility, and park areas to appropriately attribute expenses to services. The result is a clear picture of your total cost-of-service which will guide the development of cost recovery/subsidy investment goals.

Summary of Results

Results are calculated and presented by Service Categories and Service Areas, providing the Department with multiple views of the data to aid in the implementation of the Financial Sustainability Strategy. A more detailed view, with results broken down to the Sub Service Area level, is also provided in an excel file upon completion of the project.

Expense Insights

Through this process, insight into where and how the Department utilizes its expense budget is developed. This review contributes to a holistic understanding of how the Department's fiscal landscape plays a pivotal role in forecasting future performance and capital investment needs.

Facility and Park Area Maintenance Expenses

Understanding the total maintenance expense of facility and park areas is critically important for decision-making about new infrastructure, budgeting appropriately to maintain a desired level of service, and for use in pricing services provided by the organization. Facility and park area expenses are developed as part of this process.

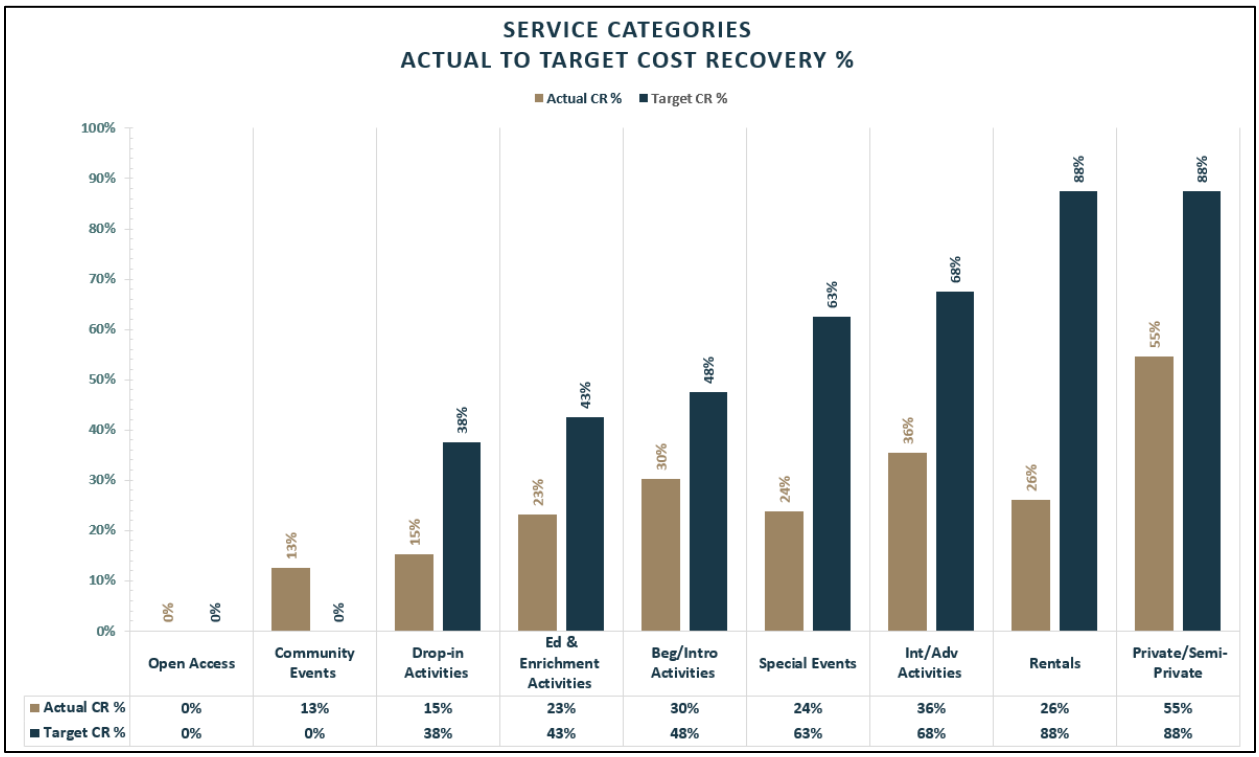
Year-over-Year Performance

To the extent to which relevant data is available and usable, a comparative analysis of prior year-over-year performance will be conducted to show trends regarding revenues, expenditures, subsidies, and cost recovery performance.

Strategies & Recommendations

Cost Recovery/Subsidy Goal Setting

After completing the financial conditions analysis, the Department will set cost recovery/subsidy investment goals based upon current performance, analysis insights, and budget projections. At this point, the Financial Sustainability Strategy begins to take shape.



Financial Sustainability Strategy & Alternatives

The Department's Financial Sustainability Strategy is the foundation from which the organization builds its commitment to financial discipline. Strategy alternatives are valuable when performance deficiencies or alternative revenue generating opportunities exist, such as specific service areas like enterprise or business operations such as a golf course or water park. Alternatively, strategies might be

based upon short-term (2-3 years) performance expectations in contrast to a longer-term timeframe (3-5 years or beyond).

Policy Development

The development of the Department's Cost Recovery & Resource Allocation Policy will position the Department to address immediate financial challenges and long-term goals, such as infrastructure investments, cost recovery expectations, and scholarship strategy.

Insights Into Action Work Session

A project team work session will offer methods and strategies for turning insights into action, providing guidance and suggested ways to use the data and information resulting from the overall process. Financial insights will assist staff in taking the steps needed for implementation such as a pricing tutorial, cost reduction options, exploration of partnership opportunities, capital investment considerations, opportunities for continuing education for staff, advisory and policy making bodies, and other actions that may lead to greater community impacts and increased revenues.

Continuous Improvement Recommendations

The Department's financial wellbeing is the principal interest of this process. As such, a series of recommendations resulting from what was learned, observed, and heard throughout the process will be provided to the Department at the conclusion of the process. Recommendations for improvement may include incremental changes intended to improve performance over a period of time as well as breakthrough changes that are expected to create immediate and profound improvement in a more abbreviated timeframe.

Benchmarking Analysis

Up to three identified organizations similar in size and services offered will be jointly determined for the benchmarking analysis. Areas for benchmarking consideration will primarily include service offerings, fee structures, and cost-recovery governance with the intention of being operational recommendations for improving the competitive position of the Department.

DELIVERABLES

- Financial analysis with revenue/expenditure trends and recommendations for cost recovery.
- Financial dashboard (trends, margins by line of business, subsidy per participant).
- Draft Cost Recovery Policy with category targets, methodology, and annual update process.
- Draft fee schedule adjustments and equity supports.

Task 5 - Program and Service Portfolio Review (Lifecycle and Alignment)

Program Inventory and Participation Analysis

- Compile a comprehensive inventory of recreation programs and services, including City provided, contracted, and partnered offerings.
- Analyze participation levels, registration trends, and utilization by program type and age group.
- Review demographic data served by programs where available.
- Identify participation trends and program areas experiencing growth, decline, or stagnation.

Community Need and Service Gap Evaluation

- Compare existing programs and services to identified community needs and priorities from Task 2.
- Identify gaps in service by age group, program type, schedule, and location.
- Assess access considerations related to cost, timing, registration practices, and geographic availability.

AGES SERVED Primary Market or Secondary Market							
Core Program Area	Preschool (5 and Under)	Elementary (6-12)	Teens (13-17)	Adult (18-34)	Adult (35-54)	Senior (55-64)	Senior (65+)
Arts, Culture and Heritage		P	P	S	S	S	S
Community Building and Engagement	S	P	P	P	P	P	S
Conservation							
Enrichment	P	P	P				
Health and Wellness	P	P	P	P	P	P	P
Sports		P	P				
TOTALS	2	5	5	2	2	2	1

Program Quality and Mission Alignment

- Evaluate program quality, consistency, and alignment with Recreation Division values and priorities, including equity, youth development, senior services, and inclusion.
- Review program objectives, outcomes, and performance expectations.
- Identify programs that strongly advance community benefit versus those with limited strategic alignment.

Program Lifecycle and Portfolio Analysis

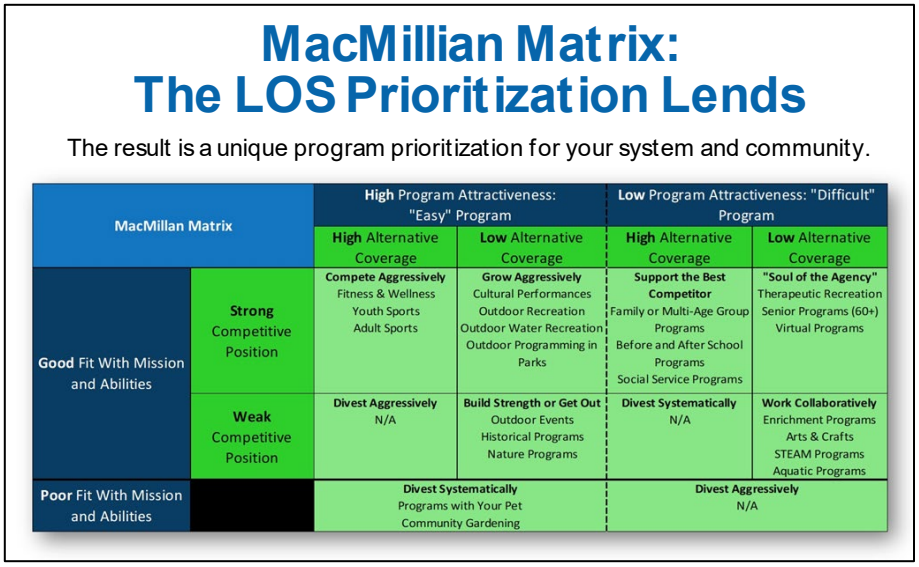
- Conduct a program lifecycle assessment to classify programs as introduction, growth, maturity, or decline.
- Evaluate programs based on demand, equity impact, cost recovery, staffing requirements, and operational complexity.
- Identify programs that should be expanded, modified, partnered, sunset, or piloted.

Peer Comparison and Market Context

- Compare Gilroy's program offerings to peer agencies to identify service gaps and opportunities.
- Evaluate scheduling balance, program mix, and service delivery models relative to comparable agencies.
- Identify opportunities to reduce duplication or improve coordination through partnerships.

Program Strategy and Recommendations

- Develop program specific recommendations addressing growth, modification, partnership, pricing, or discontinuation.
- Identify short term pilot opportunities and longer-term program adjustments.
- Align program recommendations with staffing capacity, financial sustainability, and facility availability.



DELIVERABLES

- Program and services evaluation summary.
- Program portfolio matrix (demand, equity, cost recovery, lifecycle stage) with action recommendations and 12–24-month pilot plan.

Task 6 - Parks, Facilities, Asset Management, and Capital Needs

PARKS - KTUA

Inventory and Analysis

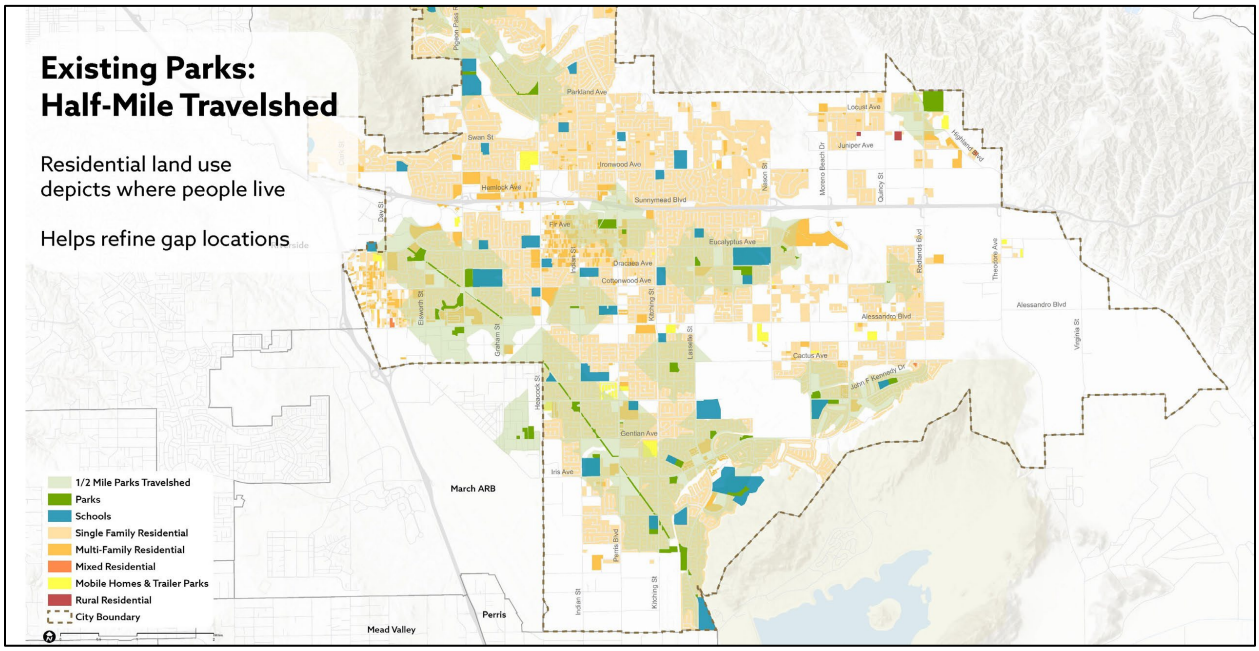
KTUA will conduct a comprehensive field inventory of all 23 City-owned parks and collect park inventory data using a custom Esri Field Maps application. This tool ensures all data is geographically referenced and compatible with GIS tools such as ArcPro, ArcMap, ArcGIS Online, storyboards, or any other GIS software available to the City.

The park inventory will include photos and data that considers the capacity of each outdoor amenity to meet community needs, including their functionality, accessibility, and condition. This analysis will result in a quantitative and qualitative assessment of park amenities to determine if park facilities serve their intended purposes or need to be retrofitted, renovated, or reimagined to meet current and future needs. The results of this analysis will also inform decisions and recommendations for the maintenance and operations of these amenities. Upon completion of the park inventory, KTUA will evaluate future opportunities for improvements within each park. The results of this evaluation will lead to discussions with City staff on which parks should be rehabilitated and renovated.

Park Level of Service Analysis (Parks +)

Assessing current and future parks needs requires a comprehensive understanding of existing and future levels of service. KTUA will use three analyses to evaluate the current and future Level of Service (LOS) of the City's park system:

- **Park Acreage LOS Analysis** uses park acreage and the City's current and forecasted population to calculate the park acres provided per 1,000 residents. This LOS will be compared to the City's five (5) acres per 1,000 residents parkland goal (PR 1.4), as stated in the 2040 General Plan, to determine the current and projected per capita park acreage deficit (or surplus). This can inform goal setting and recommendations development.



- **Amenity LOS Analysis** uses the park amenity inventory, current and forecasted population, and national park amenity averages to determine LOS. Park amenities will be compared to a database of over a decade of park amenity benchmark data collected by the National Recreation and Park Association (NRPA). This database allows for a population-based amenity comparison to long-term state and national averages, as well as to the most recent year of data, to determine how well Gilroy's park amenities are meeting community needs.
- **Accessibility LOS Analysis** uses mode-specific park access points and travel networks (for walking and driving) to create a "park service area" for each park. Park service areas are generated for each park to show citywide park accessibility by a given mode and distance, most commonly a half mile walk and a two-mile drive. These distances are adjustable based on the unique characteristics of the City's transportation system to determine equity of access and identify park gap areas. Amenity-specific service areas can also be provided relative to key demographics, such as the half-mile walking distance for parks with playgrounds displayed over populations with a high percentage of young children.

KTUA will also incorporate planned land use, the size and location of planned/funded future parks, and lessons learned from community engagement, best practices, and emerging trends to anticipate demographic, economic, and sociological changes.

ADA, Safety, and Operations

KTUA will conduct a high-level ADA, safety, and deferred maintenance analysis for parks and their associated outdoor amenities. This analysis will take place during the park inventory process as KTUA staff count, assess, and score the condition of each major amenity. This will comprise planning-level observations, not compliance audits. The information taken will help facilitate capital priorities by determining which amenities should be considered for repair or replacement.

Facility Alignment, Growth, and Capital Priorities

KTUA will summarize all of the data analyzed during the Level of Service process to determine potential recommendations that are based on overarching priorities identified by City staff, residents, and stakeholders. Recommendations will also be rooted in the City's projected growth and diversification.

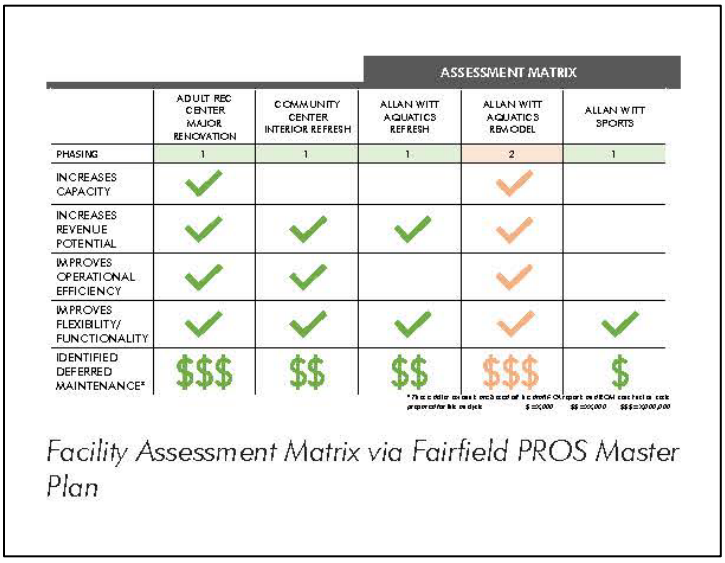
To support the City in making informed decisions and helping guide capital priorities, KTUA will develop a planning-level Capital Improvements tool for all infrastructure projects identified throughout the recommendations phase. This Tool is a comprehensive matrix that categorizes all park-specific and citywide recommendations into priority tiers along with the city policies/objectives that support the recommendation, whether it addresses an LOS deficit, where the recommendation originated from (outreach, staff, LOS, etc.), and planning-level cost estimates. The elements in this tool are specifically chosen to facilitate the prioritization of projects while being backed by various sources. This tool provides transparency and a "paper trail" of decisions made by staff year after year.

The priority and resource requirements of each action will be collaboratively determined with the City. High priority actions with high resource requirements are those that are both urgent, high-effort, and costly, while low priority actions with low resource requirements are "nice-to-haves" with low demands of staff or funds. This framework balances decision making in different funding and staffing scenarios.

FACILITIES – GROUP 4

Inventory and Analysis

- Compile an inventory of indoor recreation facilities operated, programmed, or supported by the Recreation Division, including shared-use and partner facilities.
- Review available documentation including facility age, size, building systems, maintenance history, ADA compliance status, utilization data, operating agreements, and staffing models.
- Confirm facility inventory, shared-use assumptions, and data gaps with City staff.



Facility Assessment Matrix via Fairfield PROS Master Plan

- Conduct site visits (as appropriate and in coordination with City staff) to assess building systems, site infrastructure, accessibility, safety, and overall condition.
- Identify and summarize service-related issues such as layout, allocations of space, functionality and flexibility, customer experience, in addition to evaluating the location, suitability, and capacity of current sites to support expanded recreational services,
- Identify deferred maintenance, code compliance issues, and high-risk deficiencies.

Facility Level of Service Analysis (Facilities)

- Analyze facility utilization by program type, time of day, season, and user group.
- Evaluate geographic access, service catchments, and underserved areas.
- Identify capacity constraints, scheduling conflicts, and operational inefficiencies, particularly within gymnasiums, aquatics facilities, and multipurpose spaces.
- Evaluate how existing facilities support priority services such as youth sports, aquatics, senior services, indoor recreation, special events, and community programming.
- Assess the suitability of shared-use facilities for long-term recreation service delivery.

ADA, Safety, and Operations

- Conduct a high-level ADA, safety, and deferred maintenance analysis for facilities.
- This analysis will take place during the facility inventory process as Group 4 staff count, assess, and score the condition of each space.
- This will comprise planning-level observations, not compliance audits.
- The information taken will help facilitate capital priorities by determining which amenities should be considered for repair or replacement.

Facility Alignment, Growth, and Capital Priorities

- Identify and prioritize capital improvements, renovations, replacements, and potential new facilities.
- Develop a phased Capital Improvement Plan (CIP) roadmap (0–5 years, 6–10 years, and 10+ years) with order-of-magnitude cost estimates.
- Identify potential funding strategies, partnerships, and operational impacts associated with recommended improvements.

DELIVERABLES

- Facility and park needs assessment reports.
- Facility and park assessment books with inventory tables, condition scores, utilization analysis, and repair/replace priorities.
- Capital improvement plan (CIP) roadmap (0–5, 6–10, 10+ years) with order-of-magnitude costs and funding options.

Task 7 - Technology, Data, and Business Processes

Systems and Process Review

- Audit existing registration and point of sale systems.
- Review scheduling, reporting, and data governance practices.
- Identify operational pain points related to refunds, waitlists, and utilization reporting.

Data and Performance Improvements

- Identify opportunities to improve data quality, reporting consistency, and system use.
- Review integration opportunities with finance and human resources systems.

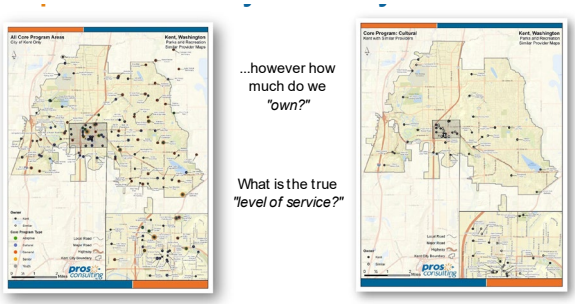
DELIVERABLES

- Systems improvement plan with priority fixes, training modules, and key performance indicator(s)
- (KPI) dashboards wired to NRPA benchmark categories.

Task 8 - Equity, Access and Inclusion

Participation and Access Analysis

- Map recreation participation against community demographics.
- Analyze barriers related to cost, transportation, language, and digital access.



Pricing and Access Alignment

- Evaluate alignment between pricing, scholarships, and the cost recovery policy.
- Identify strategies to protect access for socioeconomically challenged populations.

DELIVERABLES

- Equity action plan including but is not limited to sliding-scale/fee assistance model, outreach strategies, language access, mobile/ pop-up programs, and targeted pilots.

Task 9 - Partnerships, Sponsorships, and Volunteers

Partnership and Agreement Review

- Inventory existing memoranda of understanding and agreements with schools, libraries, nonprofits, and leagues.
- Evaluate partnership performance and risk.

Partnership Assessment								
Audubon Center	Partnership Description	Partnership Agreement Recitals	Role and Responsibility (Services, Programs, Facilities)	Point of Contact	Key Issues	Key Performance Indicators	Reporting Process and Communication	Partnership Dates and Termination Clause
Aullwood	◕	●	◔	●	◕	◑	◑	●
Biedler Forest	◔	◕	◑	●	◑	◑	◑	●
Debs Park	◑	○	◕	●	◔	◕	◔	●
Discovery Center	◕	○	◑	●	◕	○	◔	●
Grange	●	●	●	●	●	●	●	●

Partnership and Sponsorship Opportunities

- Identify new partnership models and shared use agreements.
- Develop a sponsorship and naming framework consistent with public ethics standards.

Volunteer Program Review

- Assess volunteer program structure and compliance practices.

DELIVERABLES

- Partnership framework (criteria, templates, performance KPIs)
- Sponsorship policy outline with approval workflow

Task 10 - Risk Management, Safety, and Operations Standards

Policy and Practice Review

- Review policies related to incident reporting, background checks, aquatic safety, youth safety, emergency plans, and insurance.

Standards and Training Recommendations

- Identify relevant National Recreation and Park Association and CAPRA standards.
- Recommend standard operating procedures and training cadence.

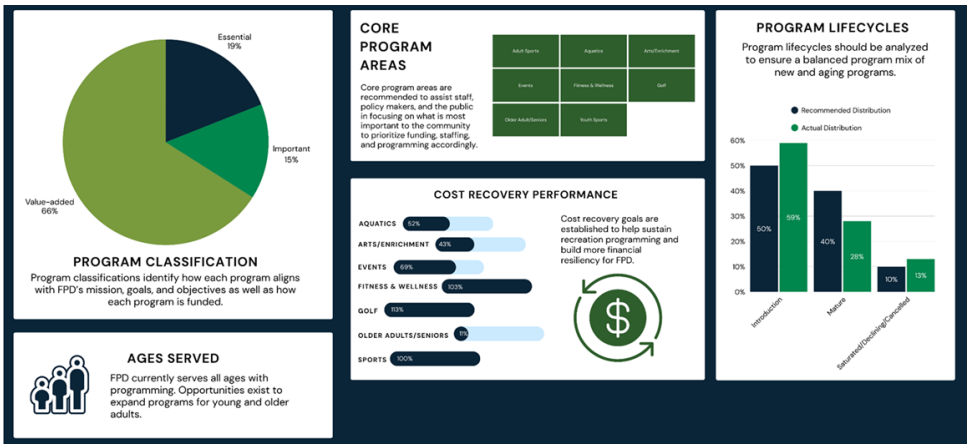
DELIVERABLE

- Operations & safety compliance report with priority SOP updates and training calendar.

Task 11 - Performance Measurement and Benchmarking

Performance Metric Development

- Build a key performance indicator scorecard aligned with National Recreation and Park Association and California Park and Recreation Society Agency Performance Review metrics.



Data Collection and Reporting

- Define data collection cadence.
- Define public facing reporting practices.

DELIVERABLES

- KPI dashboard & definitions; 12-month measurement plan and template quarterly report.

Task 12 - Programmatic Mini-Studies

Program Cluster Structuring

- Organize Recreation Division offerings into the program clusters identified in the RFP.
- Confirm program definitions, delivery models, and service objectives for each cluster.
- Identify which clusters are internally delivered, externally delivered, or hybrid.

Program Cluster Analysis

For each program cluster, PROS Consulting will:

- Review staffing models, including City staffing levels, seasonal and part time use, and contract staffing.
- Evaluate alternative service delivery models currently in use or feasible for Gilroy.
- Assess program mix and scale relative to participation, demand, and operational capacity.
- Identify risk considerations associated with safety, supervision, liability, and compliance.
- Review fee strategies and cost recovery practices relative to affordability and access.
- Assess marketing practices and alignment with industry best practices.

Cross Cluster Findings

- Identify themes and patterns across program clusters related to staffing efficiency, financial performance, risk exposure, and service effectiveness.
- Highlight clusters that may benefit from restructuring, partnership, pricing adjustment, or operational refinement.

DELIVERABLE

- Program Report

Task 13 - SWOT Analysis

Synthesis of Program Findings

- Compile and synthesize findings from the program and service portfolio review and the programmatic mini studies.
- Focus analysis specifically on Recreation Division programs and services rather than system wide park planning.
- Identify patterns related to demand, access, staffing capacity, financial performance, and operational risk.

Program SWOT Development

- Identify internal program strengths related to service quality, community value, participation, and operational effectiveness.
- Identify internal program weaknesses related to staffing constraints, cost recovery, delivery complexity, or sustainability.
- Identify external opportunities related to partnerships, pricing strategies, service model adjustments, or unmet community needs.
- Identify external threats related to financial pressure, staffing limitations, risk exposure, or changing demand.

DELIVERABLE

- SWOT analysis document.

Task 14 - Growth and Opportunity Identification

a. Opportunity Identification

- Identify short-term and long-term opportunities to expand or improve Recreation Division programs and services.
- Ground opportunities in findings from staffing, financial, program, facility, and equity analyses.
- Focus on opportunities that are realistic given staffing capacity, facilities, and financial constraints.

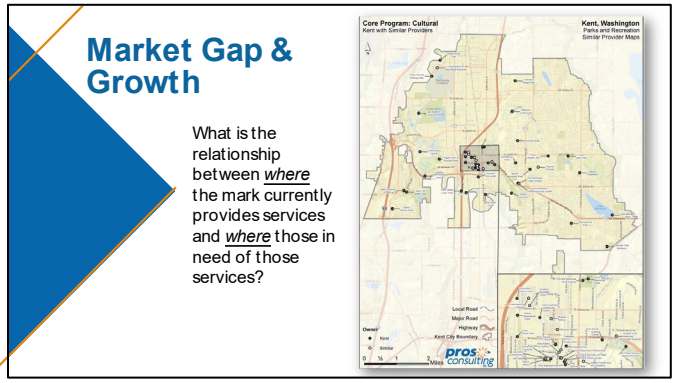
b. Partnership and Service Model Exploration

- Explore partnership models with schools, nonprofit organizations, private providers, and regional entities.

- Evaluate alternative service delivery approaches that could improve efficiency, access, or service quality.
- Identify opportunities to leverage partnerships to reduce risk or operational burden.

c. Sustainable Growth Strategies

- Recommend strategies that support sustainable service growth rather than unchecked expansion.
- Align growth opportunities with financial sustainability, cost recovery practices, and organizational capacity.
- Identify implementation considerations related to staffing, funding, and oversight.



DELIVERABLE

- Growth opportunities report.

Task 15 - Implementation Roadmap and Council Presentation

Synthesis of Findings

- Synthesize findings from all prior tasks into a single, cohesive assessment framework.
- Ensure recommendations reflect operational, financial, staffing, facility, and equity considerations.
- Confirm internal consistency across program, facility, and financial recommendations.

Recommendation Prioritization

- Develop clear, prioritized recommendations based on impact and feasibility.
- Identify recommended timing, responsible parties, and resource implications.
- Align recommendations with City decision making and budget processes.

Implementation Roadmap Development

- Prepare a phased implementation roadmap organized by short term, midterm, and longer-term actions.
- Identify decision points, dependencies, and sequencing considerations.
- Include planning level cost ranges and potential funding sources where applicable.

Policy and Framework Development

- Draft recommended policy updates related to cost recovery, partnerships, sponsorships, and fee schedules.
- Ensure policy recommendations are practical and aligned with City operations.

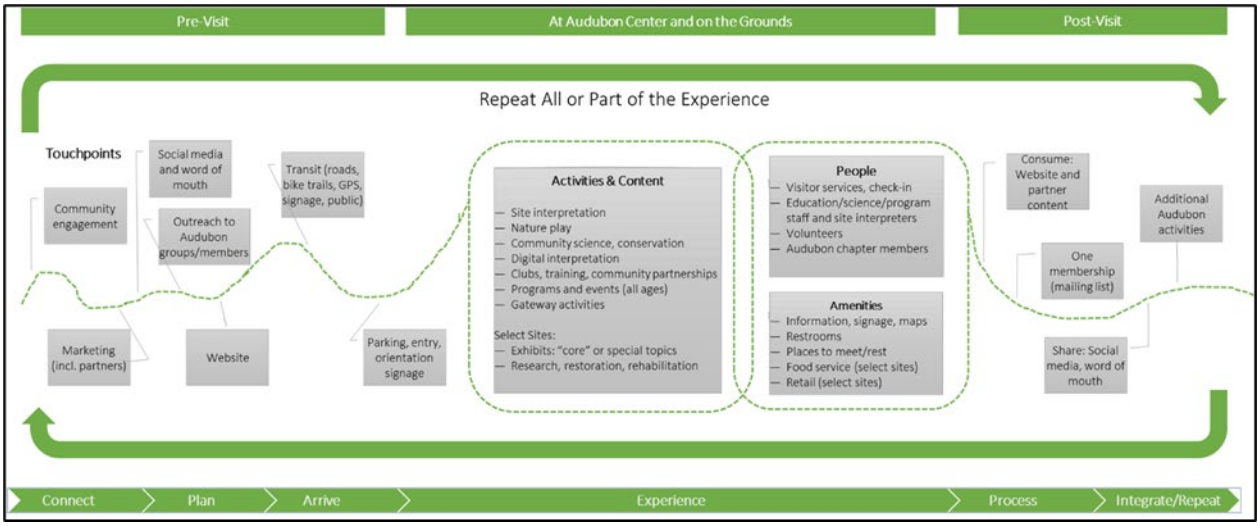
City Council and Stakeholder Presentation

- Prepare briefing materials and presentation content suitable for City Council consideration.
- Present findings and recommendations to City Council and community stakeholders.
- Support City staff in communicating key outcomes and implementation steps.

Focus Area	Current Strength	Opportunity / Gap	Recommended Action
Core Program Mix	Strong youth, enrichment, and wellness base.	Limited adult and preschool reach.	Expand early childhood, adult, and intergenerational programs.
Participation and Utilization	High program fill rates; steady engagement.	Modest innovation pipeline.	Pilot new formats (pop-ups, seasonal series, cultural events).
Access and Equity	Strong youth and family participation.	Uneven adult and senior access.	Expand geographic reach through partner sites and mobile programming.
Age Segments	Youth and teen engagement is strongest.	Low adult and senior retention.	Add flexible, drop-in adult programs and senior wellness/social options.
Lifecycle Balance	57% of programs are mature and stable.	Few emerging programs.	Shift 5–10% of resources toward innovation and pilot testing.
Cost Recovery / Pricing	Transparent, equitable pricing model.	Modest price sensitivity in community.	Maintain resident discounts and scholarships; diversify revenue through rentals and sponsorships.
Program Management	Skilled, adaptive staff and consistent evaluation.	Limited bandwidth for innovation.	Add internal review cycle and annual pilot fund for new ideas.

DELIVERABLES

- Draft Report for staff review.
- Final report (executive summary and detailed appendices: benchmarks, inventories, engagement findings).
- Phased implementation roadmap (0–6, 6–18, 18–36 months) with budget ranges and decision gates.
- Slide deck and talking points for Council.



Section 5 - Proposed Timeline

The project approach and scope of work detailed in this proposal will be completed by the PROS Team collaboratively with the City of Gilroy Recreation Division staff. PROS can begin the project immediately and has the capability and availability to meet the project schedule depicted below. Specific dates will be set during the kick-off meeting process, and we will consider any special requirements by the City of Gilroy regarding scheduling to meet your expectations.

Gilroy Recreation Division Assessment	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Task 1. Project Initiation/Mgmt., Background Review, and Governance												
Task 2. Community Engagement and Needs Assessment												
Task 3. Staffing and Organization Assessment												
Task 4. Financial Analysis, Cost Recovery, and Fee Policy												
Task 5. Program and Service Portfolio Review												
Task 6. Facilities, Asset Management, and Capital Needs												
Task 7. Technology, Data, and Business Processes												
Task 8. Equity, Access, and Inclusion												
Task 9. Partnerships, Sponsorships, and Volunteers												
Task 10. Risk Management, Safety, and Operations Standards												
Task 11. Performance Measurement and Benchmarking												
Task 12. Programmatic Mini Studies												
Task 13. Program Focused SWOT Analysis												
Task 14. Growth and Opportunity Identification												
Task 15. Implementation Roadmap and City Council Presentation												

Section 6 – Prior Work Samples

Prior work samples for PROS Consulting can be accessed via the Dropbox link below:

PROS Consulting Prior Work Samples

Section 7 – Pricing

The following fee breakdown is based on the project approach described in the Scope of Work for the City of Gilroy *Recreation Division Assessment*. We would appreciate the opportunity to meet and discuss the project approach and fees to ensure they are consistent with your expectations, as we are flexible in meeting your needs. We based our project approach on your RFP deliverables and elements that can easily be modified to meet your budgeting needs. This fee is a not-to-exceed amount and includes all costs, both direct and indirect, including any reimbursable expenses. **PROS Consulting uses a transparent pricing model toward project budgets. We do not change-order our clients unless there is major scope addition to the project after contract execution.**

Summary

DERIVATION OF COST Gilroy Recreation Needs Assessment			
Scope	**Work Activity**	**Total Hours per Task**	**Fee per Task**
1	Project Initiation, Background Review, & Governance	159	$ 30,858.00
2	Community Engagement and Needs Assessment	252	$ 45,088.00
3	Staffing and Organization Assessment	60	$ 13,150.00
4	Financial Analysis, Cost Recovery, and Fee Policy	153	$ 29,375.00
5	Program and Service Portfolio Review	72	$ 14,520.00
6	Parks, Facilities, Asset Management, and Capital Needs	646	$ 113,172.00
7	Technology, Data, and Business Processes	24	$ 4,840.00
8	Equity, Access and Inclusion	44	$ 9,080.00
9	Partnerships, Sponsorships, and Volunteers	53	$ 11,585.00
10	Risk Management, Safety, and Operations Standards	16	$ 3,520.00
11	Performance Measurement and Benchmarking	20	$ 4,400.00
12	Programmatic Mini-Studies	146	$ 28,710.00
13	SWOT Analysis	16	$ 3,520.00
14	Growth and Opportunity Identification	54	$ 11,110.00
15	Implementation Roadmap and Council Presentation	230	$ 40,682.00
	Total Hours	1,945	
		Total Fee	$ 372,690.00

PROS Consulting Derivation of Costs

DERIVATION OF COST Gilroy Recreation Needs Assessment PROS Consulting					
Scope and Task	Work Activity	Mike Svetz, Principal	Jayne Miller, Principal	Nick Deardorf, Business Analyst	Fee per Task
1	**Project Initiation, Background Review, & Governance**	**40**	**12**	**20**	**$ 14,740.00**
a	Kickoff, goals, metrics, schedule, communications	16	2	8	$ 5,280.00
b	Collect, review, budgets, fees, staffing, policies	8	2	4	$ 2,860.00
c	CAPRA mapping, gaps, quick wins	16	8	8	$ 6,600.00
2	**Community Engagement and Needs Assessment**	**52**	**0**	**32**	**$ 16,720.00**
a	Surveys, focus groups, interviews	16		8	$ 4,840.00
b	NRPA survey methodology	16		8	$ 4,840.00
c	Satisfaction and unmet needs	4		8	$ 2,200.00
d	Inclusive community representation	16		8	$ 4,840.00
3	**Staffing and Organization Assessment**	**40**	**10**	**0**	**$ 11,000.00**
a	Structure, roles, workload	8	2		$ 2,200.00
b	Staffing benchmarks	8	2		$ 2,200.00
c	Staffing to service alignment	8	2		$ 2,200.00
d	Workforce development, succession	8	2		$ 2,200.00
e	Staffing efficiency recommendations	8	2		$ 2,200.00
4	**Financial Analysis, Cost Recovery, and Fee Policy**	**10**	**0**	**0**	**$ 2,200.00**
a	3–5 year trends, revenue, expense, subsidy, cost recovery	2			$ 440.00
b	Cost recovery policy, resource allocation, fees, scholarships	2			$ 440.00
c	Fee benchmarks, cost recovery targets, governance	2			$ 440.00
d	Revenue opportunities, partnerships, sponsorships, grants	2			$ 440.00
e	Program/facility sustainability, financial viability	2			$ 440.00
5	**Program and Service Portfolio Review**	**48**	**0**	**24**	**$ 14,520.00**
a	Participation and utilization	8		4	$ 2,420.00
b	Program gap identification	8		4	$ 2,420.00
c	Program quality and values	8		4	$ 2,420.00
d	Program lifecycle analysis	8		4	$ 2,420.00
e	Peer comparison and access	8		4	$ 2,420.00
f	Program and pricing recommendations	8		4	$ 2,420.00
6	**Facilities, Asset Management, and Capital Needs**	**12**	**0**	**24**	**$ 6,600.00**
a	Inventory and condition	2		4	$ 1,100.00
b	LOS and access analysis	2		4	$ 1,100.00
c	ADA, safety, operations	2		4	$ 1,100.00
d	Capacity and maintenance	2		4	$ 1,100.00
e	Facility alignment and growth	2		4	$ 1,100.00
f	Capital priorities	2		4	$ 1,100.00
7	**Technology, Data, and Business Processes**	**16**	**0**	**8**	**$ 4,840.00**
a	Auditing of processes	8		4	$ 2,420.00
b	KPIs and improvement recommendations	8		4	$ 2,420.00
8	**Equity, Access and Inclusion**	**24**	**0**	**10**	**$ 6,930.00**
a	Participation vs demographics, barriers analysis	16		8	$ 4,840.00
b	Pricing/scholarships aligned to cost recovery	8		2	$ 2,090.00
9	**Partnerships, Sponsorships, and Volunteers**	**32**	**6**	**0**	**$ 8,360.00**
a	Inventory MOUs, performance, risk	16	2		$ 3,960.00
b	New models, shared use, sponsorship framework, ethics	8	2		$ 2,200.00
c	Volunteer structure, compliance	8	2		$ 2,200.00
10	**Risk Management, Safety, and Operations Standards**	**16**	**0**	**0**	**$ 3,520.00**
a	Incident reporting, screening, safety, emergency, insurance	8			$ 1,760.00
b	SOPs, training cadence, CAPRA references	8			$ 1,760.00
11	**Performance Measurement and Benchmarking**	**16**	**4**	**0**	**$ 4,400.00**
a	KPI scorecard, NRPA/CPRS metrics	8	2		$ 2,200.00
b	Data cadence, public reporting	8	2		$ 2,200.00
12	**Programmatic Mini-Studies**	**84**	**0**	**62**	**$ 28,710.00**
a	Review up to 14 program clusters	20		30	$ 9,350.00
b	Evaluate 6 aspects of program/service delivery of each program cluster	64		32	$ 19,360.00
13	**SWOT Analysis**	**16**	**0**	**0**	**$ 3,520.00**
a	Identify strengths, weaknesses, opportunities, and threats	8			$ 1,760.00
b	Incorporate findings from staffing, financial, program, and facility analyses	8			$ 1,760.00
14	**Growth and Opportunity Identification**	**40**	**0**	**14**	**$ 11,110.00**
a	Short/long-term opportunities	12		4	$ 3,300.00
b	Partnership models, collaboration	14		5	$ 3,905.00
c	Sustainable growth strategies	14		5	$ 3,905.00
15	**Implementation Roadmap and Council Presentation**	**80**	**0**	**36**	**$ 23,540.00**
a	Synthesis report	30		20	$ 9,900.00
b	Priorities, impact/feasibility, timeline, cost, owners	12		4	$ 3,300.00
c	Implementation roadmap	4		4	$ 1,540.00
d	Council + stakeholder presentations	12			$ 2,640.00
e	Draft policy updates	14		4	$ 3,740.00
f	Briefing materials, Council deck	8		4	$ 2,420.00
	Total Hours	526	32	230	788
	Hourly/Unit Rates	$220.00	$220.00	$165.00	
	GRAND TOTAL FEE + EXPENDITURE TOTAL				$ 167,640.00

ETC Institute – Derivation of Costs

Gilroy Recreation Needs Assessment			
ETC Institute			
Scope and Task	Work Activity	Ryan Murray, Project Manager	Fee per Task
1	**Project Initiation, Background Review, & Governance**	**0**	**$ -**
a	Kickoff, goals, metrics, schedule, communications		$ -
b	Collect, review, budgets, fees, staffing, policies		$ -
c	CAPRA mapping, gaps, quick wins		$ -
2	**Community Engagement and Needs Assessment**	**80**	**$ 16,000.00**
a	Surveys, focus groups, interviews	80	$ 16,000.00
b	NRPA survey methodology		$ -
c	Satisfaction and unmet needs		$ -
d	Inclusive community representation		$ -
3	**Staffing and Organization Assessment**	**0**	**$ -**
a	Structure, roles, workload		$ -
b	Staffing benchmarks		$ -
c	Staffing to service alignment		$ -
d	Workforce development, succession		$ -
e	Staffing efficiency recommendations		$ -
4	**Financial Analysis, Cost Recovery, and Fee Policy**	**0**	**$ -**
a	3–5 year trends, revenue, expense, subsidy, cost recovery		$ -
b	Cost recovery policy, resource allocation, fees, scholarships		$ -
c	Fee benchmarks, cost recovery targets, governance		$ -
d	Revenue opportunities, partnerships, sponsorships, grants		$ -
e	Program/facility sustainability, financial viability		$ -
5	**Program and Service Portfolio Review**	**0**	**$ -**
a	Participation and utilization		$ -
b	Program gap identification		$ -
c	Program quality and values		$ -
d	Program lifecycle analysis		$ -
e	Peer comparison and access		$ -
f	Program and pricing recommendations		$ -
6	**Parks, Facilities, Asset Management, and Capital Needs**	**0**	**$ -**
a	Inventory and condition		$ -
b	LOS and access analysis		$ -
c	ADA, safety, operations		$ -
d	Capacity and maintenance		$ -
e	Facility alignment and growth		$ -
f	Capital priorities		$ -
7	**Technology, Data, and Business Processes**	**0**	**$ -**
a	Auditing of processes		$ -
b	KPIs and improvement recommendations		$ -
8	**Equity, Access and Inclusion**	**0**	**$ -**
a	Participation vs demographics, barriers analysis		$ -
b	Pricing/scholarships aligned to cost recovery		$ -
9	**Partnerships, Sponsorships, and Volunteers**	**0**	**$ -**
a	Inventory MOUs, performance, risk		$ -
b	New models, shared use, sponsorship framework, ethics		$ -
c	Volunteer structure, compliance		$ -
10	**Risk Management, Safety, and Operations Standards**	**0**	**$ -**
a	Incident reporting, screening, safety, emergency, insurance		$ -
b	SOPs, training cadence, CAPRA references		$ -
11	**Performance Measurement and Benchmarking**	**0**	**$ -**
a	KPI scorecard, NRPA/CPRS metrics		$ -
b	Data cadence, public reporting		$ -
12	**Programmatic Mini-Studies**	**0**	**$ -**
a	Review up to 14 program clusters		$ -
b	Evaluate 6 aspects of program/service delivery of each program cluster		$ -
13	**SWOT Analysis**	**0**	**$ -**
a	Identify strengths, weaknesses, opportunities, and threats		$ -
b	Incorporate findings from staffing, financial, program, and facility analyses		$ -
14	**Growth and Opportunity Identification**	**0**	**$ -**
a	Short/long-term opportunities		$ -
b	Partnership models, collaboration		$ -
c	Sustainable growth strategies		$ -
15	**Implementation Roadmap and Council Presentation**	**0**	**$ -**
a	Synthesis report		$ -
b	Priorities, impact/feasibility, timeline, cost, owners		$ -
c	Implementation roadmap		$ -
d	Council + stakeholder presentations		$ -
e	Draft policy updates		$ -
f	Briefing materials, Council deck		$ -
	Total Hours	80	80
	Hourly/Unit Rates	$200.00	
	GRAND TOTAL FEE + EXPENDITURE TOTAL		$ 16,000.00

KTUA Derivation of Costs

DERIVATION OF COST Gilroy Recreation Needs Assessment KTUA						
Scope and Task	Work Activity	Joe Punsalan Principal	Jacob Leon Senior Associate	Nicole Rogge Senior Planner	Isabel Perez Senior Planner	Fee per Task
1	**Project Initiation, Background Review, & Governance**	**1**	**12**	**16**	**0**	**$ 4,368.00**
a	Kickoff, goals, metrics, schedule, communications	1	8	8		$ 2,644.00
b	Collect, review, budgets, fees, staffing, policies		4	8		$ 1,724.00
c	CAPRA mapping, gaps, quick wins					$ -
2	**Community Engagement and Needs Assessment**	**0**	**32**	**16**	**40**	**$ 12,368.00**
a	Surveys, focus groups, interviews		4	4	16	$ 3,100.00
b	NRPA survey methodology					$ -
c	Satisfaction and unmet needs		4	8		$ 1,724.00
d	Inclusive community representation		24	4	24	$ 7,544.00
3	**Staffing and Organization Assessment**	**0**	**0**	**0**	**0**	**$ -**
a	Structure, roles, workload					$ -
b	Staffing benchmarks					$ -
c	Staffing to service alignment					$ -
d	Workforce development, succession					$ -
e	Staffing efficiency recommendations					$ -
4	**Financial Analysis, Cost Recovery, and Fee Policy**	**0**	**0**	**0**	**0**	**$ -**
a	3–5 year trends, revenue, expense, subsidy, cost recovery					$ -
b	Cost recovery policy, resource allocation, fees, scholarships					$ -
c	Fee benchmarks, cost recovery targets, governance					$ -
d	Revenue opportunities, partnerships, sponsorships, grants					$ -
e	Program/facility sustainability, financial viability					$ -
5	**Program and Service Portfolio Review**	**0**	**0**	**0**	**0**	**$ -**
a	Participation and utilization					$ -
b	Program gap identification					$ -
c	Program quality and values					$ -
d	Program lifecycle analysis					$ -
e	Peer comparison and access					$ -
f	Program and pricing recommendations					$ -
6	**Parks, Facilities, Asset Management, and Capital Needs**	**8**	**76**	**140**	**44**	**$ 38,172.00**
a	Inventory and condition		8	20	12	$ 5,376.00
b	LOS and access analysis	2	16	32	32	$ 11,112.00
c	ADA, safety, operations	2	12	16		$ 4,588.00
d	Capacity and maintenance		12	24		$ 5,172.00
e	Facility alignment and growth	2	16	24		$ 6,312.00
f	Capital priorities	2	12	24		$ 5,612.00
7	**Technology, Data, and Business Processes**	**0**	**0**	**0**	**0**	**$ -**
a	Auditing of processes					$ -
b	KPIs and improvement recommendations					$ -
8	**Equity, Access and Inclusion**	**0**	**0**	**0**	**0**	**$ -**
a	Participation vs demographics, barriers analysis					$ -
b	Pricing/scholarships aligned to cost recovery					$ -
9	**Partnerships, Sponsorships, and Volunteers**	**0**	**0**	**0**	**0**	**$ -**
a	Inventory MOUs, performance, risk					$ -
b	New models, shared use, sponsorship framework, ethics					$ -
c	Volunteer structure, compliance					$ -
10	**Risk Management, Safety, and Operations Standards**	**0**	**0**	**0**	**0**	**$ -**
a	Incident reporting, screening, safety, emergency, insurance					$ -
b	SOPs, training cadence, CAPRA references					$ -
11	**Performance Measurement and Benchmarking**	**0**	**0**	**0**	**0**	**$ -**
a	KPI scorecard, NRPA/CPRS metrics					$ -
b	Data cadence, public reporting					$ -
12	**Programmatic Mini-Studies**	**0**	**0**	**0**	**0**	**$ -**
a	Review up to 14 program clusters					$ -
b	Evaluate 6 aspects of program/service delivery of each program cluster					$ -
13	**SWOT Analysis**	**0**	**0**	**0**	**0**	**$ -**
a	Identify strengths, weaknesses, opportunities, and threats					$ -
b	Incorporate findings from staffing, financial, program, and facility analyses					$ -
14	**Growth and Opportunity Identification**	**0**	**0**	**0**	**0**	**$ -**
a	Short/long-term opportunities					$ -
b	Partnership models, collaboration					$ -
c	Sustainable growth strategies					$ -
15	**Implementation Roadmap and Council Presentation**	**0**	**32**	**64**	**0**	**$ 13,792.00**
a	Synthesis report		8	24		$ 4,472.00
b	Priorities, impact/feasibility, timeline, cost, owners		12	16		$ 4,148.00
c	Implementation roadmap		12	24		$ 5,172.00
d	Council + stakeholder presentations					$ -
e	Draft policy updates					$ -
f	Briefing materials, Council deck					$ -
	Total Hours	9	152	236	84	481
	Hourly/Unit Rates	$220.00	$175.00	$128.00	$118.00	
	GRAND TOTAL FEE + EXPENDITURE TOTAL					$ 68,700.00

110% Derivation of Costs

DERIVATION OF COST Gilroy Recreation Needs Assessment 110%					
Scope and Task	Work Activity	Farrell Buller Principal	Alexis Rankey Data Consultant	Matt David Operations	Fee per Task
1	**Project Initiation, Background Review, & Governance**	**10**	**0**	**0**	**$ 2,150.00**
a	Kickoff, goals, metrics, schedule, communications	2			$ 430.00
b	Collect, review, budgets, fees, staffing, policies	5			$ 1,075.00
c	CAPRA mapping, gaps, quick wins	3			$ 645.00
2	**Community Engagement and Needs Assessment**	**0**	**0**	**0**	**$ -**
a	Surveys, focus groups, interviews				$ -
b	NRPA survey methodology				$ -
c	Satisfaction and unmet needs				$ -
d	Inclusive community representation				$ -
3	**Staffing and Organization Assessment**	**10**	**0**	**0**	**$ 2,150.00**
a	Structure, roles, workload	2			$ 430.00
b	Staffing benchmarks	2			$ 430.00
c	Staffing to service alignment	2			$ 430.00
d	Workforce development, succession	2			$ 430.00
e	Staffing efficiency recommendations	2			$ 430.00
4	**Financial Analysis, Cost Recovery, and Fee Policy**	**60**	**73**	**10**	**$ 27,175.00**
a	3–5 year trends, revenue, expense, subsidy, cost recovery	35	54		$ 16,975.00
b	Cost recovery policy, resource allocation, fees, scholarships	23			$ 4,945.00
c	Fee benchmarks, cost recovery targets, governance		10	10	$ 3,250.00
d	Revenue opportunities, partnerships, sponsorships, grants		4		$ 700.00
e	Program/facility sustainability, financial viability	2	5		$ 1,305.00
5	**Program and Service Portfolio Review**	**0**	**0**	**0**	**$ -**
a	Participation and utilization				$ -
b	Program gap identification				$ -
c	Program quality and values				$ -
d	Program lifecycle analysis				$ -
e	Peer comparison and access				$ -
f	Program and pricing recommendations				$ -
6	**Facilities, Asset Management, and Capital Needs**	**0**	**0**	**0**	**$ -**
a	Inventory and condition				$ -
b	LOS and access analysis				$ -
c	ADA, safety, operations				$ -
d	Capacity and maintenance				$ -
e	Facility alignment and growth				$ -
f	Capital priorities				$ -
7	**Technology, Data, and Business Processes**	**0**	**0**	**0**	**$ -**
a	Auditing of processes				$ -
b	KPIs and improvement recommendations				$ -
8	**Equity, Access and Inclusion**	**10**	**0**	**0**	**$ 2,150.00**
a	Participation vs demographics, barriers analysis	5			$ 1,075.00
b	Pricing/scholarships aligned to cost recovery	5			$ 1,075.00
9	**Partnerships, Sponsorships, and Volunteers**	**15**	**0**	**0**	**$ 3,225.00**
a	Inventory MOUs, performance, risk	5			$ 1,075.00
b	New models, shared use, sponsorship framework, ethics	5			$ 1,075.00
c	Volunteer structure, compliance	5			$ 1,075.00
10	**Risk Management, Safety, and Operations Standards**	**0**	**0**	**0**	**$ -**
a	Incident reporting, screening, safety, emergency, insurance				$ -
b	SOPs, training cadence, CAPRA references				$ -
11	**Performance Measurement and Benchmarking**	**0**	**0**	**0**	**$ -**
a	KPI scorecard, NRPA/CPRS metrics				$ -
b	Data cadence, public reporting				$ -
12	**Programmatic Mini-Studies**	**0**	**0**	**0**	**$ -**
a	Review up to 14 program clusters				$ -
b	Evaluate 6 aspects of program/service delivery of each program cluster				$ -
13	**SWOT Analysis**	**0**	**0**	**0**	**$ -**
a	Identify strengths, weaknesses, opportunities, and threats				$ -
b	Incorporate findings from staffing, financial, program, and facility analyses				$ -
14	**Growth and Opportunity Identification**	**0**	**0**	**0**	**$ -**
a	Short/long-term opportunities				$ -
b	Partnership models, collaboration				$ -
c	Sustainable growth strategies				$ -
15	**Implementation Roadmap and Council Presentation**	**10**	**0**	**8**	**$ 3,350.00**
a	Synthesis report	1		4	$ 815.00
b	Priorities, impact/feasibility, timeline, cost, owners	1		4	$ 815.00
c	Implementation roadmap	2			$ 430.00
d	Council + stakeholder presentations	4			$ 860.00
e	Draft policy updates	2			$ 430.00
f	Briefing materials, Council deck				$ -
	Total Hours	115	73	18	206
	Hourly/Unit Rates	$215.00	$175.00	$150.00	
	GRAND TOTAL FEE + EXPENDITURE TOTAL				$ 42,350.00

Group 4 Derivation of Costs

DERIVATION OF COST Gilroy Recreation Needs Assessment Group 4				
Scope and Task	Work Activity	Dawn Merkes Principal PM	Justin Nutt Arch Design	Fee per Task
1	**Project Initiation, Background Review, & Governance**	**16**	**32**	**$ 9,600.00**
a	Kickoff, goals, metrics, schedule, communications	8	16	$ 4,800.00
b	Collect, review, budgets, fees, staffing, policies	8	16	$ 4,800.00
c	CAPRA mapping, gaps, quick wins			$ -
2	**Community Engagement and Needs Assessment**	**0**	**0**	**$ -**
a	Surveys, focus groups, interviews			$ -
b	NRPA survey methodology			$ -
c	Satisfaction and unmet needs			$ -
d	Inclusive community representation			$ -
3	**Staffing and Organization Assessment**	**0**	**0**	**$ -**
a	Structure, roles, workload			$ -
b	Staffing benchmarks			$ -
c	Staffing to service alignment			$ -
d	Workforce development, succession			$ -
e	Staffing efficiency recommendations			$ -
4	**Financial Analysis, Cost Recovery, and Fee Policy**	**0**	**0**	**$ -**
a	3–5 year trends, revenue, expense, subsidy, cost recovery			$ -
b	Cost recovery policy, resource allocation, fees, scholarships			$ -
c	Fee benchmarks, cost recovery targets, governance			$ -
d	Revenue opportunities, partnerships, sponsorships, grants			$ -
e	Program/facility sustainability, financial viability			$ -
5	**Program and Service Portfolio Review**	**0**	**0**	**$ -**
a	Participation and utilization			$ -
b	Program gap identification			$ -
c	Program quality and values			$ -
d	Program lifecycle analysis			$ -
e	Peer comparison and access			$ -
f	Program and pricing recommendations			$ -
6	**Facilities, Asset Management, and Capital Needs**	**114**	**228**	**$ 68,400.00**
a	Inventory and condition	20	40	$ 12,000.00
b	LOS and access analysis	20	26	$ 9,480.00
c	ADA, safety, operations	24	48	$ 14,400.00
d	Capacity and maintenance	16	48	$ 12,480.00
e	Facility alignment and growth	16	40	$ 11,040.00
f	Capital priorities	18	26	$ 9,000.00
7	**Technology, Data, and Business Processes**	**0**	**0**	**$ -**
a	Auditing of processes			$ -
b	KPIs and improvement recommendations			$ -
8	**Equity, Access and Inclusion**	**0**	**0**	**$ -**
a	Participation vs demographics, barriers analysis			$ -
b	Pricing/scholarships aligned to cost recovery			$ -
9	**Partnerships, Sponsorships, and Volunteers**	**0**	**0**	**$ -**
a	Inventory MOUs, performance, risk			$ -
b	New models, shared use, sponsorship framework, ethics			$ -
c	Volunteer structure, compliance			$ -
10	**Risk Management, Safety, and Operations Standards**	**0**	**0**	**$ -**
a	Incident reporting, screening, safety, emergency, insurance			$ -
b	SOPs, training cadence, CAPRA references			$ -
11	**Performance Measurement and Benchmarking**	**0**	**0**	**$ -**
a	KPI scorecard, NRPA/CPRS metrics			$ -
b	Data cadence, public reporting			$ -
12	**Programmatic Mini-Studies**	**0**	**0**	**$ -**
a	Review up to 14 program clusters			$ -
b	Evaluate 6 aspects of program/service delivery of each program cluster			$ -
13	**SWOT Analysis**	**0**	**0**	**$ -**
a	Identify strengths, weaknesses, opportunities, and threats			$ -
b	Incorporate findings from staffing, financial, program, and facility analyses			$ -
14	**Growth and Opportunity Identification**	**0**	**0**	**$ -**
a	Short/long-term opportunities			$ -
b	Partnership models, collaboration			$ -
c	Sustainable growth strategies			$ -
15	**Implementation Roadmap and Council Presentation**	**0**	**0**	**$ -**
a	Synthesis report			$ -
b	Priorities, impact/feasibility, timeline, cost, owners			$ -
c	Implementation roadmap			$ -
d	Council + stakeholder presentations			$ -
e	Draft policy updates			$ -
f	Briefing materials, Council deck			$ -
	Total Hours	130	260	390
	Hourly/Unit Rates	$240.00	$180.00	
	GRAND TOTAL FEE + EXPENDITURE TOTAL			$ 78,000.00

ATTACHMENT A – CONTRACT REQUIREMENTS ACKNOWLEDGEMENT

I, Leon Younger, declare as follows:

That I am the President (Title), of PROS Consulting, Inc. (Company),

the Consultant making the attached proposal; and that I have read the sample Agreement for Services (Attachment B), including the insurance & indemnification requirements contained therein, and hereby state that I understand and am willing to abide by, and can meet the requirements of the contract, including insurance and indemnification requirements, without modification thereto, should my firm be selected for a project or projects based on my qualifications and proposal, assuming a mutually agreeable scope, fee, and schedule can be established.

I understand that the attached sample agreement is the current version used by the City of Gilroy. The standard agreement for Professional Services is currently being updated, and a new version may be used by the time the agreement resulting from this RFP is executed.

Signed this 5 day of February, 2026

By Leon Younger

Title: President

Wage Theft Prevention Policy Statement

It is the policy of the City that all parties contracting with the City must comply with all applicable federal, state and local wage and hour laws including but not limited to the Federal Fair Labor Standards Act ("FLSA") and the California Labor Code. Suitable language regarding this requirement should be in all contracts.

1. **Disclosure**. As a part of any City solicitation for goods and/or services, including public works projects, contractor shall complete a "Bid Certification" ("Certification") that requires each potential contractor to disclose whether the contractor has been found by a court or final administrative action of an investigatory government agency to have violated federal, state, or local wage and hour laws within the past five (5) years from the date of the submitted bid or proposal.

2. **Disqualification.** The City MAY disqualify a potential contractor based on the disclosed violation.

3. **Contract Termination**. A current contractor found by a court or by final administrative action of an investigatory government agency to have violated applicable wage and hour laws, in the five (5) years prior to or during the term of the contract with the City, may be in material breach of its contract with the City if the violation is not fully disclosed and/or satisfied per City contract requirements. Such breach may serve as a basis for contract termination and/or any other remedies available under law, including a stipulated remediation plan.

I, Leon Younger, certify that (Business Name) PROS Consulting, Inc.

☐ ***Has***

☑ ***Has Not***

been found by a court or by final administrative action of an investigatory government agency to have violated applicable wage and hour laws on more than one (1) occasion or has one (1) unpaid wage judgment.

For each disclosed violation, please provide a copy of (i) the court order and judgment and/or final administrative decision; and (ii) documents demonstrating either that the order/judgment has been satisfied, or if the order/judgment has not been fully satisfied, a written and signed description of potential contractor's efforts to date to satisfy the order/judgment. The completed Certification shall be submitted by the potential contractor to the City as a part of its bid or proposal.

Signature and Date: Leon Younger 2/5/2026

BerryDunn

PROPOSAL

PROPOSAL FOR THE

City of Gilroy, California

RECREATION DIVISION ASSESSMENT (RFP #26-RFP-AD-531)

Chad Snow, Principal
Berry, Dunn, McNeil & Parker, LLC
csnow@berrydunn.com

Teresa Jackson, Project Manager
Berry, Dunn, McNeil & Parker, LLC
teresa.jackson@berrydunn.com

Proposal Submitted On:
February 6, 2026 before 4:00 p.m.

SUBMITTED BY:

Berry, Dunn, McNeil & Parker, LLC
2211 Congress Street, Portland, ME 04102

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BerryDunn

February 6, 2026

City of Gilroy
Attention: Katty Alvarez
7351 Rosanna St.
Gilroy, CA 95020

Dear Katty Alvarez and Members of the Selection Committee:

On behalf of Berry, Dunn, McNeil & Parker, LLC (BerryDunn, we, our), I would like to thank you for the opportunity to submit this proposal in response to the City of Gilroy's (the City's) request for proposals (RFP # 26-RFP-AD-531) to develop a Comprehensive Assessment of the Recreation Division. Once completed, this assessment will serve as a resource to support decisions and enable the Division to set priorities and serve residents equitably. Our team proposes an integrated approach that will result in data-driven recommendations with a realistic implementation strategy.

BerryDunn is a limited liability company with more than 40 years of experience consulting for local, state, and quasi-governmental agencies. Our team is committed to delivering a collaborative, transparent, and inclusive process that engages interested parties and reflects the unique character of the community. We understand the importance of balancing innovation with proven best practices to develop practical and implementable strategies that are both visionary and achievable. By leveraging our extensive experience and tailored approach, we will help you navigate challenges, seize opportunities, and realize long-term success aligned with your priorities and values. Below and throughout this proposal, we highlight our key strengths. These elements will guide our work to support you in meeting your objectives and creating lasting value for the community.

We bring in-depth experience with CAPRA accreditation, having worked with more than 40 accredited agencies and including two site evaluators on our team

Our project manager has direct experience applying cost recovery methodology across park and recreation systems

We offer strong geographic information systems (GIS)-based mapping and spatial analysis that integrates with the broader assessment

Our team can develop planning-level dashboards and other tools to guide decision-making

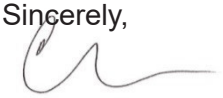
Our team also includes Kimley-Horn to address conceptual capital costing needs. ETC Institute (ETC) will design and implement a statistically valid survey as part of the community outreach. No one on our team has a conflict of interest related to this project or work with the City. We have reviewed the City's standard agreement and accept it without modifications.

We are confident that, if selected to partner with you on this important initiative, we will deliver a data-driven Comprehensive Assessment of the Recreation Division that reflects current conditions and sets a roadmap for the future. We sincerely appreciate the opportunity to submit this proposal and thank you for your time and consideration.

BerryDunn is the brand name under which Berry, Dunn, McNeil & Parker, LLC and BDMP Assurance, LLP, independently owned entities, provide services. Berry, Dunn, McNeil & Parker, LLC provides tax, advisory, and consulting services. BDMP Assurance, LLP, a licensed CPA firm, provides attest services.

As a principal in BerryDunn's Local Government Practice Group and Chief Strategy and Growth Officer of our Consulting Services Team, I am authorized to bind BerryDunn to this proposal. Please consider me the City's primary point of contact for any questions or updates during the evaluation process. We have reviewed the request and submit this firm, irrevocable offer, valid for 120 calendar days from the proposal due date of February 6, 2026.

Sincerely,



Chad Snow, PMP®, Principal, Chief Strategy and Growth Officer
Consulting Services Team
Berry, Dunn, McNeil & Parker, LLC
207.541.2294 | csnow@berrydunn.com

SUMMARY

Executive Summary

The Gilroy Community

Gilroy is a community of nearly 60,000 with a strong agricultural history. The City is known as the “Garlic Capital of the World,” and has evolved into a family-friendly community with small-town charm and big-city access. The City is located on the southern edge of California’s Silicon Valley and offers multiple natural and built attractions to residents and visitors.

Members of the Gilroy community can participate in organized and recreational sports, adaptive programs for people with disabilities, health and fitness programs, dance, enrichment, and more. The Recreation Division offers free and fee-based programming to residents of all ages. The Division supports seniors and other residents in need with lunches, food banks, and free groceries. Families can also apply for youth scholarships to make recreation programming more accessible.

Gilroy’s previous Needs Assessment was completed during the COVID-19 pandemic, and many of its assumptions are outdated. This Comprehensive Assessment of the Recreation Division will provide the City with actionable and implementable strategies to enhance service delivery in a responsible way. The City expects a thorough analysis and benchmarks against national standards.

How BerryDunn Can Help

At BerryDunn, our approach to parks and recreation needs assessments is built around one core goal: helping our clients make informed, strategic decisions that reflect the unique character, needs, and aspirations of their communities. We don’t deliver off-the-shelf solutions. We work collaboratively with you to understand your goals, engage your constituents meaningfully, and deliver a plan that is actionable, realistic, and aligned with your long-term vision. Our team combines deep technical expertise with decades of experience leading and supporting parks and recreation agencies, helping to ensure that you receive insights that are both data-driven and grounded in practical, real-world understanding.

We have tailored a team to help you reach your goals and enhance service delivery. Our team offers:

A Connected, Decision-Driven Recreation Assessment

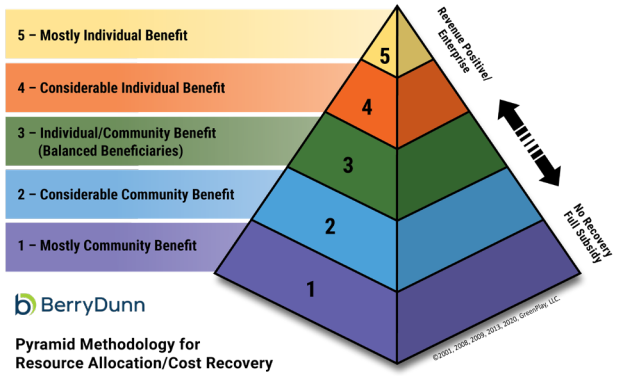
BerryDunn's team is structured to deliver a fully integrated assessment that connects governance, staffing, finances, programs, facilities, equity, technology, and performance measurement. Rather than producing isolated analyses, our approach helps ensure recommendations are aligned, mutually reinforcing, and grounded in operational reality.

CAPRA Expertise Led by Certified Site Evaluators

BerryDunn brings exceptional depth in accreditation by the Commission for Accreditation of Park and Recreation Agencies (CAPRA) and readiness, with two certified CAPRA site evaluators on the project team. This provides the City with direct, firsthand insight into how agencies are evaluated during the accreditation process, what documentation reviewers look for, and where agencies most commonly fall short.

Cost Recovery Expertise Grounded in Proven Methodologies

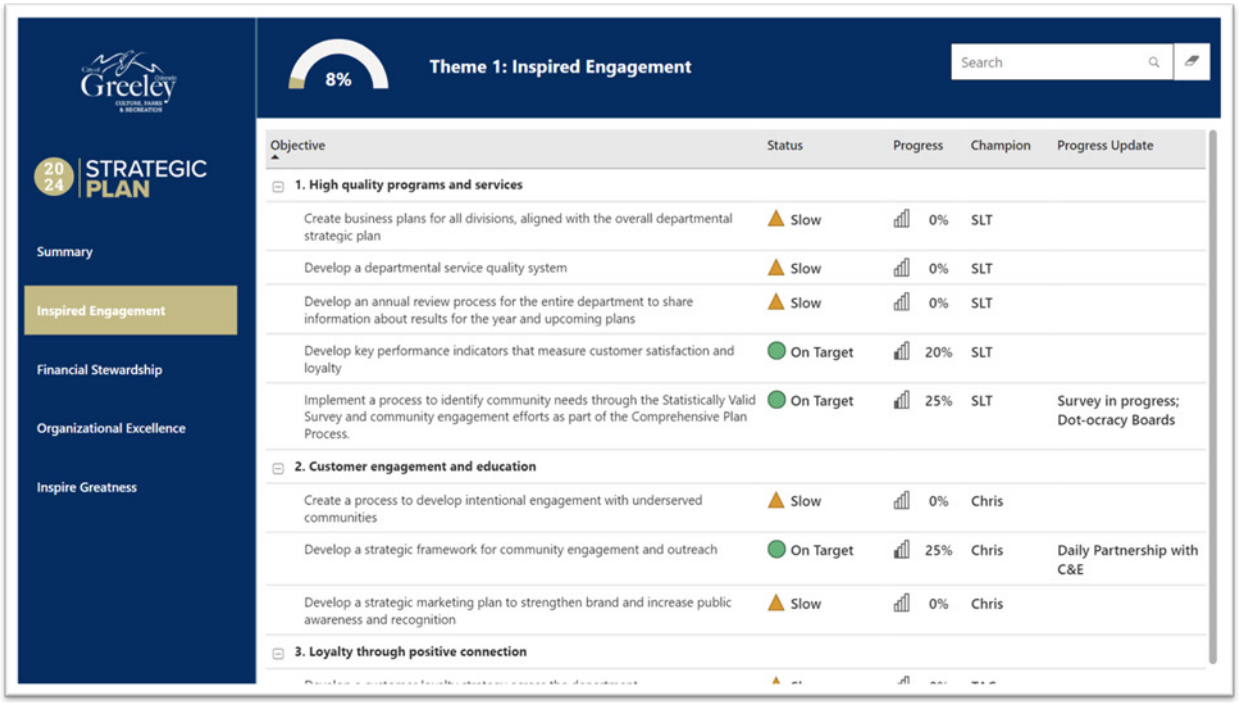
BerryDunn brings deep, practical expertise in recreation cost recovery, led by a project manager with direct experience applying the Cost Recovery Pyramid Methodology and complementary pricing and subsidy models across parks and recreation systems. This approach moves beyond ad hoc fee setting to establish a clear, defensible framework that aligns community benefit, individual benefit, market conditions, and equity considerations.



Pyramid Methodology for Resource Allocation/Cost Recovery

Decision-Focused Dashboards and Performance Measurement

The team includes specialized expertise in developing planning-level dashboards and performance frameworks that support staff and City Council decision-making. These tools translate complex data into clear insights without committing the City to new software systems or ongoing maintenance.



GIS-Based Inventory, Mapping, and System Analysis

BerryDunn brings strong GIS-based mapping and spatial analysis capabilities to support a data-driven inventory and assessment of the City's parks and recreation system. Our GIS work is fully integrated with the broader assessment, allowing facility inventories, condition findings, access analysis, and service levels to be evaluated together rather than in isolation.

Assessment Findings Designed to Inform One Another

Each needs assessment is intentionally linked so findings reinforce one another rather than stand alone:

- Engagement and survey results inform program, service, and equity needs
- Staffing and organizational capacity are evaluated in the context of service expectations and facility demands
- Financial and cost recovery analysis is tied directly to service categories and affordability goals
- Facility and access analysis is aligned with demographic trends, growth patterns, and equity considerations

Needs Assessments Focused on Action and Implementation

- Each assessment is structured to answer practical, decision-focused questions
- Findings are translated into clear priorities, trade-offs, and phased actions
- Results directly support implementation planning and City Council decision-making

Equity Embedded Across All Needs Assessments

Equity is not treated as a standalone task. The work plan intentionally embeds equity considerations across all needs assessments so access, affordability, and service outcomes are evaluated consistently and systematically.

- Equity integrated into engagement and needs assessment

  Community input is analyzed by demographic and geographic characteristics to identify disparities in participation, access, and satisfaction.

- Equity aligned with cost recovery and pricing decisions

  Financial and cost recovery analyses explicitly evaluate how fees, subsidies, and scholarship programs affect access for socioeconomically challenged populations.

- Equity evaluated through access and service coverage

  Facility inventory, level of service, and 10-minute walk analyses are used to identify neighborhoods with limited access to parks, programs, or facilities.

- Equity embedded in program and service assessment

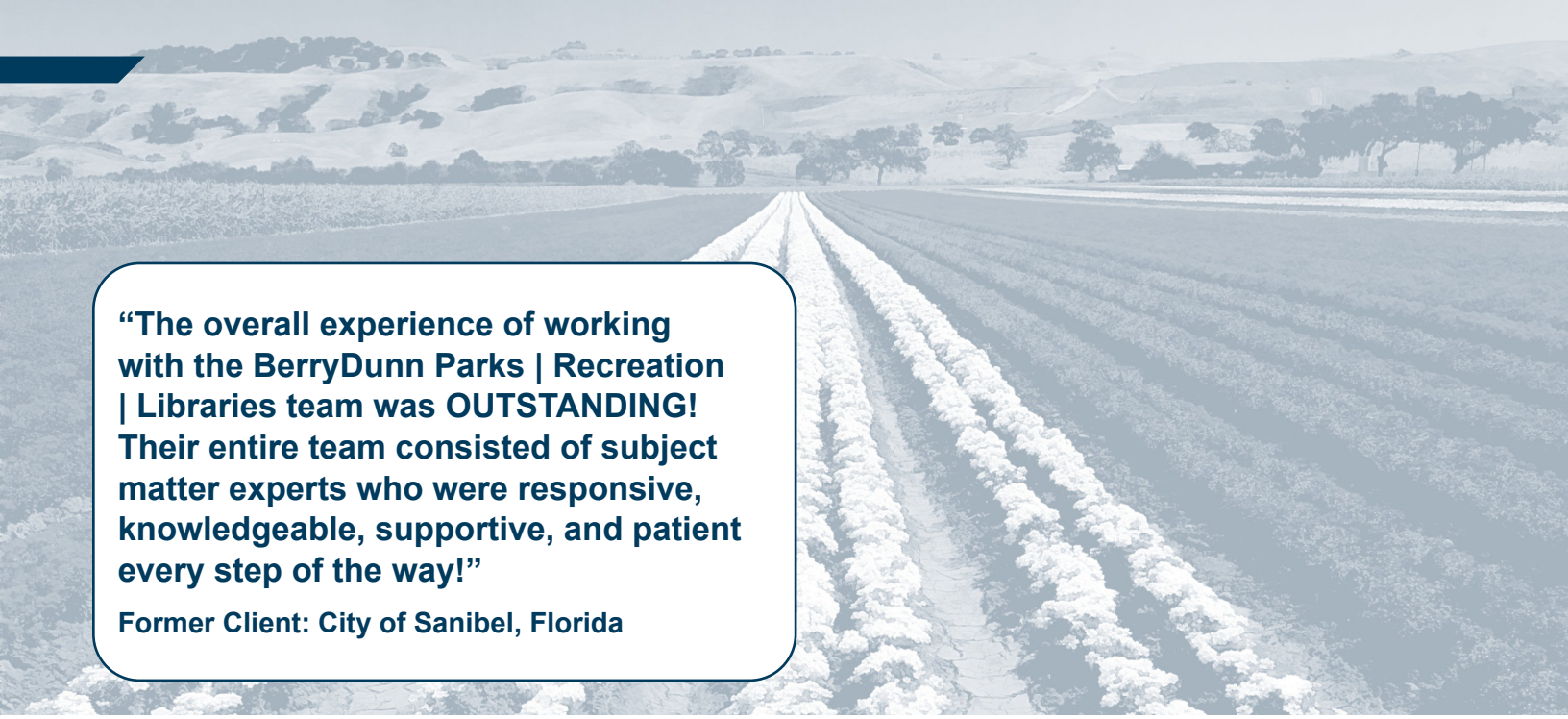
  Program and service categories are evaluated based on who is served, who is underrepresented, and whether service delivery models create unintended barriers.

- Equity translated into actionable strategies

  Findings inform practical recommendations such as targeted outreach, language access improvements, mobile or pop-up programming, place-based service delivery, and pilot initiatives focused on underserved populations.

SECTION 01

Company Background



“The overall experience of working with the BerryDunn Parks | Recreation | Libraries team was OUTSTANDING! Their entire team consisted of subject matter experts who were responsive, knowledgeable, supportive, and patient every step of the way!”

Former Client: City of Sanibel, Florida

Introducing BerryDunn

BerryDunn’s Parks, Recreation, Libraries Practice offers clients deep industry expertise in parks, open space, and natural areas built upon decades of experience working in and with agencies on:

- Master Planning
- Strategic Planning
- Needs Analyses
- Financial Analyses
- Cost Recovery
- Quality Assessments

All our Parks, Recreation, Libraries consultants are former industry practitioners and seasoned advisors, and our proposed project team consists of professionals with many years of experience operating the assets the Recreation Division manages. Collectively, our team of more than 20 professionals have completed over 700 related planning projects, working with local, state, and national government agencies, as well as private-sector organizations, as they seek to make progress toward a shared vision.

Looking beyond the industry, we strive to deliver high-quality services by understanding expectations up front, developing a reasonable and achievable project approach, gaining concurrence on project tasks and timing, and using appropriate staff for each engagement. Supported by a wider team of over 350 consultants dedicated to serving nearly all aspects of local and state government, we offer a holistic approach to the City’s initiative. It is through our firsthand experience in parks and recreation and our broader team’s well-rounded perspective that we bring tailored insights to the government operations and community needs that impact every project.

Company Name:
Berry, Dunn, McNeil & Parker, LLC (BerryDunn)

Founded and Incorporated: 1974 in Maine

Headquartered: 2211 Congress Street, Portland, ME 04102

Locations:

Arizona
Connecticut
Hawai’i
Maine
Massachusetts
New Hampshire
Puerto Rico
West Virginia

Business Type: Limited Liability Company

Employees: 990+ nationwide

Website: www.berrydunn.com

Bringing Deep Expertise to the City

BerryDunn's Parks | Recreation | Libraries Practice brings the City the guidance of nationally respected experts with decades of hands-on experience leading parks, recreation, and library systems. Jason Genck, Lisa Paradis, and Chad Snow have served in executive roles where they drove innovation, operational excellence, and meaningful community impact. As co-practice leaders, they provide strategic direction and mentorship to our project team, helping to ensure that the solutions we develop are grounded in practical insight and tailored to meet your specific needs and goals.

Jason Genck, MPA, CPRP
Senior Manager

Lisa Paradis, MBA, CPRP
Principal

Chad Snow, PMP®
Chief Strategy and Growth Officer
Consulting Services Team

Together, Jason, Lisa, and Chad shape the vision and approach of our Parks, Recreation, Libraries Practice, helping ensure every project delivers best practices informed by real-world experience and community-centered solutions. Their leadership means that the City will benefit from a collaborative process focused on strategic, responsive planning that supports your long-term success and reflects the aspirations of your community.

Organizational Structure

BerryDunn has been in operation for 52 years and is a well-established organization, with an operational structure that allows our consultants to effectively focus on client commitments. For example:

We maintain an operations team comprised of human resources (HR), payroll/finance, office management, IT, legal, compliance, and administrative personnel, which supports the operational needs for all of BerryDunn's offices and personnel.

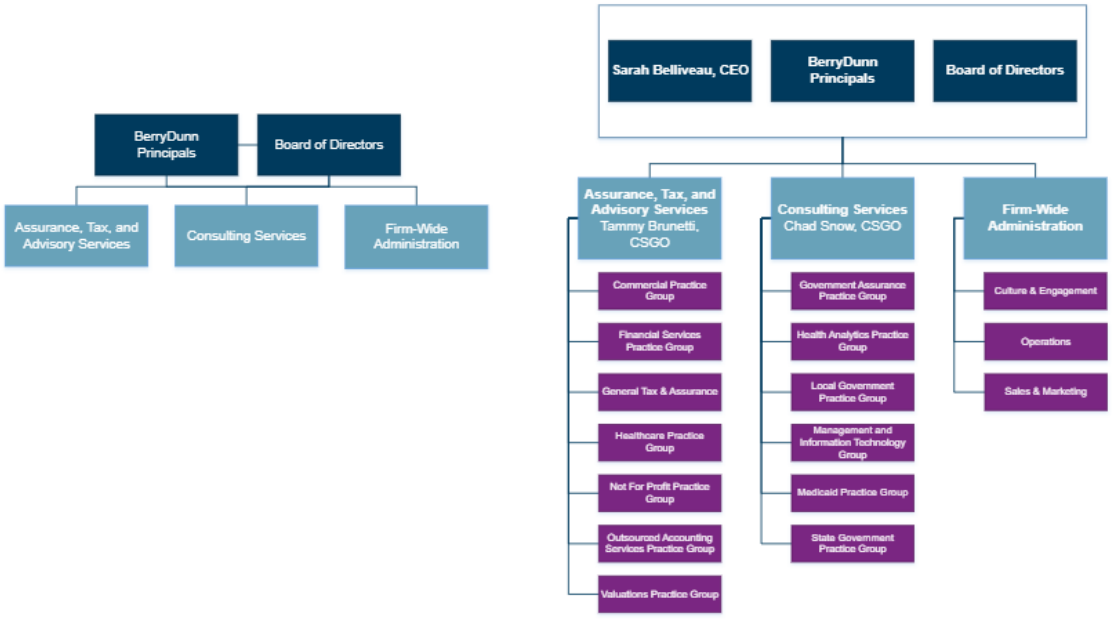
All of our consultants are equipped with the necessary technology to conduct their work, regardless of their work location.

We have established procedures in place for employee hiring, onboarding, training, and promoting individual development and growth within the organization.

Within our consulting groups, we regularly evaluate resource needs based on existing, planned, and anticipated client commitments to ensure the availability of qualified personnel for successful project performance.

Our firm's organization is represented in the organizational chart below.

Figure 1: Firm Organization



BerryDunn's project team includes six members from our Parks, Recreation, Libraries Practice. We bring diverse, hands-on experience—from leading parks and recreation organizations to guiding agencies through strategic planning, master plans, cost recovery efforts, and more. The following chart (Figure 2) outlines our team structure, showcasing the leadership, key support roles, and strategic partnerships that will contribute to the success of your project.

Figure 2: Project Team Organizational Structure

SECTION 02

Company and Project Team Qualifications

Roles, Responsibilities, and Qualifications

Below and on the following pages, we introduce our proposed project team members, describe their roles and responsibilities, and detail their qualifications as they relate to delivering projects of this nature. ***Full resumes can be reviewed in Appendix A.***

Time Percentage
37%

Teresa Jackson, CPO, AFO | Project Manager

As project manager, Teresa Jackson will serve as the City's primary point of contact. She will oversee day-to-day project progress, track key tasks and milestones, and manage the overall Comprehensive Assessment of the Recreation Division to help ensure timely and successful delivery.

Teresa is a manager in our Parks, Recreation and Libraries Practice. She has more than 25 years of experience supporting municipal parks and recreation and special events departments, including as recreation manager for the City of Sacramento, California. She has completed multiple similar services and programming assessments and has guided agencies through cost recovery policy setting and implementation. Teresa is highly skilled in community outreach, facilities management, programming, public policy, and project management.

Time Percentage
14%

James Mickle, CPRP | Engagement Manager

As engagement manager, James Mickle will work closely with the project manager, Teresa Jackson, to provide strategic oversight throughout the engagement. He will guide project initiation, shape the engagement strategy, support the development of key deliverables, and help ensure the highest standards of service quality. He will also work closely with our project team to develop strategies for improving equitable service delivery. He will serve as the City's alternate point of contact.

James is a manager in our Parks, Recreation, Libraries Practice. He has over 20 years of experience in recreation operations, programming, and administration; volunteer board leadership; and community and employee engagement. Prior to joining BerryDunn, he served in positions of progressive responsibility for the City of Norfolk, Virginia's Recreation and Leisure Activities. He is committed to supporting underserved communities and holds a Certificate in Diversity, Equity, and Inclusion (DEI) from eCornell. As equity is a high priority for the City, we will leverage James' extensive experience assessing parks and recreation systems for "opportunities for all."

Time Percentage
9%

Lakita Frazier, CPRP | CAPRA Subject Matter Expert

As subject matter expert, Lakita Frazier will assist with organizational analysis and help ensure the final Master Plan positions the City for CAPRA accreditation. She will also assist with the engagement and outreach.

Lakita is a senior consultant in our Parks, Recreation, Libraries Practice. She has more than 20 years of parks and recreation leadership experience within county and municipal agencies, including as executive director for Richland County Recreation Commission, South Carolina, and as director of parks and recreation for the City of Suffolk, Virginia. She is an expert in developing high-performance teams, designing programs through community engagement and partnership, and managing public-sector organizations. She also has experience in fiscal management, public-/private-sector alliances, and personnel management.

Time Percentage
11%

Nikki Ginger, MAEA, CPRE, SHRM - SCP | Organizational Subject Matter Expert

As subject matter expert, Nikki Ginger will assist with organizational analysis.

Nikki is a manager in our Parks, Recreation, Libraries Practice. She has more than a decade of urban parks and recreation leadership experience, including nearly 13 years of experience with the Chicago Park District, where she helped to lead the District's CAPRA accreditation and earn National Gold Medal recognition. She has a diverse background in organizational and professional development, employee engagement, and staff training, and she excels at helping agencies engage and support their staff and communities.

Time Percentage
8%

Becky Dunlap, CPRP | Data Analysis and Visualization Subject Matter Expert

As subject matter expert, Becky Dunlap will assist with the technology assessment and data hygiene analysis. She will also assist with dashboards and implementation strategies.

Becky is a manager in our Parks, Recreation, Libraries Practice who is focused on helping organizations operate more efficiently and intentionally. As a CPRP who is also certified in Six Sigma methodology, she brings a systems-oriented, analytical approach to improving organizational processes and solving complex challenges specific to the parks and recreation field. Becky's specialization is in technology systems and data management, innovating with interactive dashboards to help organizations streamline decision-making.

Time Percentage
12%

Dante Cavaz | GIS Subject Matter Expert

As subject matter expert, Dante will assist with the facility inventory, level of service analysis, and access analysis.

Dante Cavaz is a consultant in our Parks, Recreation, and Libraries Practice. He excels in using GIS analysis and data-driven methodologies to support parks and recreation agencies in their planning and strategic initiatives. With both technical expertise and a commitment to community engagement, Dante's work informs outcomes that cater to clients' diverse needs. His strong communication skills, ability to synthesize information sources, and fluency in Portuguese allow him to engage effectively with a variety of interested parties and contribute to projects promoting equity and community well-being.

Subcontracting Partners

Time Percentage
9%

KIMLEY-HORN

Kimley-Horn and Associates, Inc. is a 4,500-person, multidisciplinary consulting firm composed of civil engineers, roadway designers, environmental engineers, landscape architects, planners, and other talented design professionals. Founded 53 years ago and with 14 offices in California alone, Kimley-Horn brings a panoramic perspective from successfully completing numerous parks and recreation projects for federal, state, regional, and local government clients. Kimley-Horn is currently working with our team on a Parks and Recreation Master Plan for the City of Modesto, California.

From concept to implementation, Kimley-Horn has extensive experience planning and designing active and passive parks, greenways, and people-places for agencies and municipalities throughout California. Kimley-Horn's planners and landscape architects emphasize the development of a functional, pleasing visual environment, meaningful themes, and strong connection to environment while being sensitive to budget and long-term maintenance. With strong local ties and park design experience, Kimley-Horn has the capabilities and resources to complete a wide range of tasks that not only meet communities' needs, but also act as recreational destinations for years to come.

Time Percentage
6%

ETC INSTITUTE

ETC Institute is recognized as the national leader in the design and administration of market research studies for local government organizations. Since 1982, ETC Institute has completed research projects for organizations in 49 states. ETC Institute has designed and administered more than 2,500 statistically valid surveys, and our team of professional researchers has moderated more than 1,500 focus groups and panels and over 2,000 stakeholder interviews. ETC Institute also uses the most up-to-date and innovative analytical tools that will help the City understand and use their survey data. ETC Institute has conducted research for more major U.S. cities and counties than any other firm. ETC Institute conducts approximately 150 surveys per year for clients throughout the country, and they are ready to begin whenever it is most convenient. Because their CEO is also the owner of ETC Institute, they have tremendous flexibility to go above and beyond the scope of work to help ensure each client is satisfied and that all tasks are successful.

Bringing Specialized Expertise Through Trusted Partners

Including subconsultants on our team allows us to strategically enhance our capabilities by bringing in specialized expertise, local knowledge, and additional capacity to meet the unique needs of your project. Subconsultants often offer deep subject matter expertise or niche services that complement our core strengths, helping ensure a more tailored approach. By collaborating closely with our partners, we create a unified team that leverages the best available resources to deliver high-quality, efficient, and impactful results.

Randall Kopff, PLA, CLARB, Landscape Architect | Kimley-Horn

With over 24 years of experience, Randall brings a dynamic blend of creativity, technical expertise, and strategic thinking to parks and recreation projects. His work spans every stage of the process—from site inventory and analysis to master planning, design development, and implementation. Known for his ability to transform public input into meaningful design solutions, Randall collaborates closely with clients to help ensure each project reflects a shared vision. His skills in graphic presentations, 3-D modeling, project management, and technical drawings make him a versatile partner who can guide complex projects from concept to completion with clarity and precision.

Marissa Pellegrini, PLA, ASLA, CLARB, Landscape Architect | Kimley-Horn

Marissa is a landscape architect and urban designer with more than 13 years of professional experience in landscape architecture and planning. She possesses a deep portfolio of parks, recreation, and active transportation experience and she specializes in parks and recreation projects. She has managed, served as lead landscape architect, and led community outreach on a wide range of multidiscipline projects including park revitalization, waterway revitalization, multi-use paths, and neighborhood, community, and regional parks and recreation facilities. Marissa will use her strong professional knowledge and insight on systemwide parks and recreation planning, site-specific parks and active transportation planning, and consensus building to help ensure this project reflects the City's vision and remains grounded in long-term sustainability.

Ryan Murray, Director of Community Research | ETC

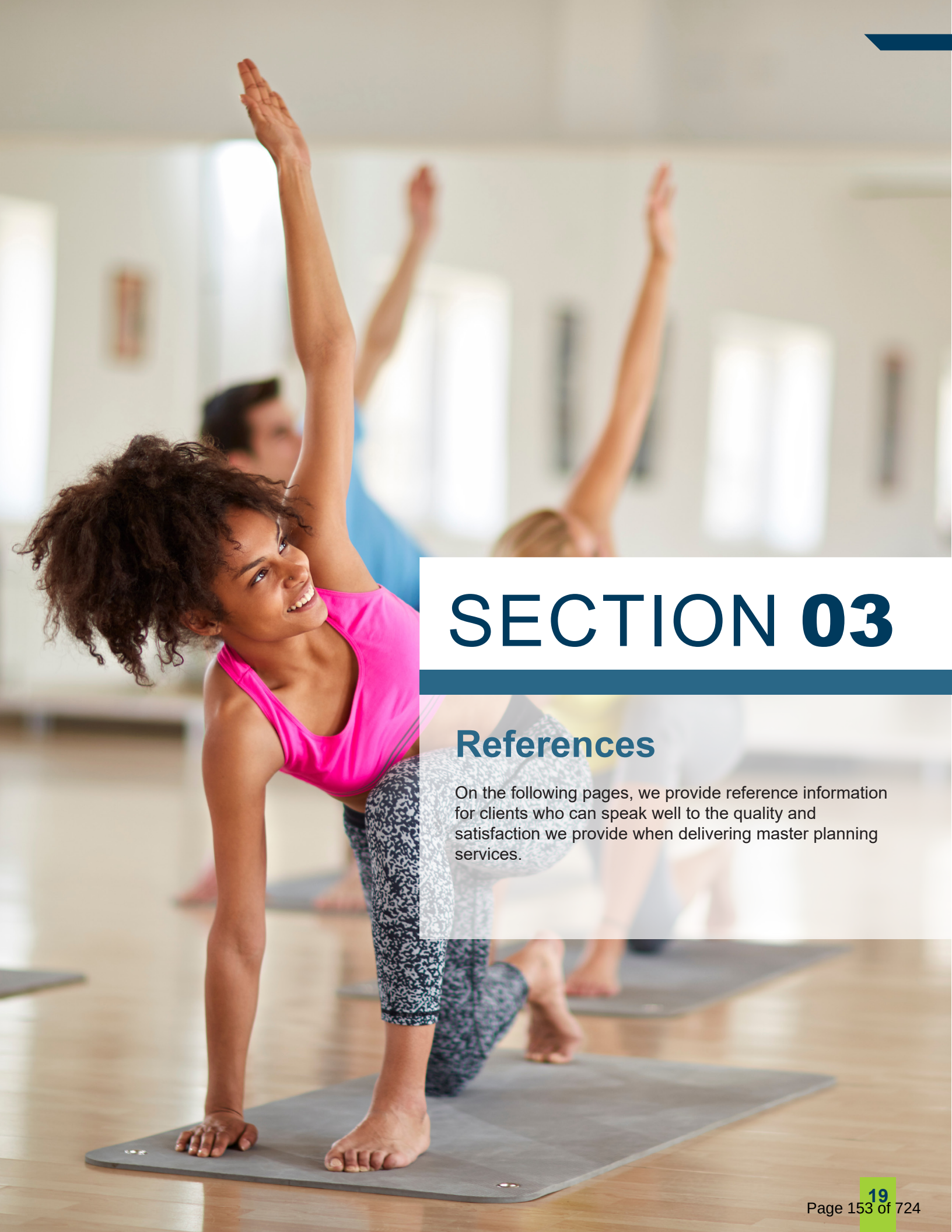
Mr. Murray has over 12 years of experience in survey administration, development, supervision, and research analysis. Throughout his tenure at ETC Institute Mr. Murray has had the pleasure of working on survey projects that cover a wide variety of topics, including parks and recreation, community planning, customer satisfaction, transportation, employee, library, comprehensive planning, parks and recreation master plans, water and utility, and business development. His current role as project manager includes survey design, developing sampling plans, quantitative and qualitative data analysis, interpretation of results, and presentation of findings.

Prior Relevant Experience

Master, Strategic, and Comprehensive Planning

When you work with our team, you are getting the benefit of a firm that has led hundreds of master, strategic, and comprehensive planning projects. Along the way, we have learned what works—and we have continued to fine-tune how we engage communities, analyze data, and shape recommendations. Our goal is to make every planning process inclusive, innovative, and grounded in real community needs. We also bring the perspective of having worked in the public sector ourselves, so we understand the challenges you face and how to tailor our approach to fit your specific goals. Below are planning projects that show the kind of work we do—and how we can help.

- Ada County, ID
- Adams County, CO
- Athens-Clark County, GA
- Avondale, AZ
- Calvert County, MD
- Charleston County, SC
- City/County of Denver, CO
- City of Aurora, CO
- City of Blue Springs, MO
- City of Bonita Springs, FL
- City of Bozeman, MT
- City of Burlington, CO
- City of Burlington, NC
- City of Cedar Park, TX
- City of Commerce City, CO
- City of Cooper City, FL
- City of Crestwood, MO
- City of Douglasville, GA
- City of Englewood, CO
- City of Fairfax, VA
- City of Ferguson, MO
- City of Fort Lauderdale, FL
- City of Golden, CO
- City of Grand Prairie, TX
- City of Greeley, CO
- City of Hampton, VA
- City of Iowa City, IA
- City of Irving, TX
- City of Kennewick, WA
- City of Lauderdale Lakes, FL
- City of Lynchburg, VA
- City of Jersey City, NJ
- City of Manhattan, KS
- City of Maple Valley, WA
- City of Mebane, NC
- City of Mesa, AZ
- **City of Modesto, CA**
- City of Montrose, CO
- **City of Monterey Park, CA**
- City of Nampa, ID
- City of New Braunfels, TX
- City of North Las Vegas, NV
- City of Norwalk, CT
- **City of Novato, CA**
- **City of Oakland, CA**
- City of Omaha, NE
- City of Owensboro, KY
- City of Palm Coast, FL
- **City of Palmdale, CA**
- City of Parkland, FL
- City of Pflugerville, TX
- City of Plantation, FL
- City of Port St. Lucie, FL
- City of Raleigh, NC
- **City of Redlands, CA**
- City of Rock Springs, WY
- City of Salt Lake City, UT
- City of Sandpoint, ID
- City of Scottsdale, AZ
- City of Tampa, FL
- City of Unalaska, AK
- City of Wheat Ridge, CO
- City of Wilsonville, OR
- County of Dinwiddie, VA
- DeKalb County, GA
- El Paso County, CO
- Elmhurst Park District, IL
- Evergreen Park and Recreation District, CO
- Howard County, MD
- Hyland Hills Park and Recreation District, CO
- Illinois Park and Recreation Association
- Iredell County, NC
- Johnson County Park and Recreation District, KS
- **Jurupa Area Recreation and Park District, CA**
- Lombard Park District, IL
- Loudoun County, VA
- Maricopa County, AZ
- Martin County, FL
- Maryland National Capital Park Planning Commission, MD
- Mecklenburg County, NC
- Miami-Dade County, FL
- North Carolina Department of Natural and Cultural Resources
- Peninsula Metropolitan Park District, WA
- Pima County, AZ
- Pittsylvania County, VA
- Round Lake Area Park District, IL
- **San Luis Obispo County, CA**
- South Suburban Parks and Recreation District, CO
- **Stanford University**
- Sullivan County, NY
- Suwanee County, FL
- Town of Brewster, MA
- Town of Burlington, MA
- Town of Cary, NC
- Town of Chapel Hill, NC
- Town of Davie, FL
- Town of Erie, CO
- Town of Gilbert, AZ
- Town of Sahuarita, AZ
- Town of Timnath, CO
- Washoe County, NV
- Willamalane Parks and Recreation District, OR



SECTION 03

References

On the following pages, we provide reference information for clients who can speak well to the quality and satisfaction we provide when delivering master planning services.

Town of Gilbert, Arizona

Parks and Recreation Master Plan

BerryDunn worked with the Town of Gilbert, Arizona on a Parks and Recreation Master Plan. This plan provided actionable strategies that would allow the City to continue its tradition of providing superior parks, recreation, and cultural programs. This agency is CAPRA accredited. It offers a variety of programs and services to about 268,000 residents in the Phoenix metropolitan area.

Our team conducted extensive outreach as part of this project, engaging members of the community through a variety of focus groups, pop-up events, and digital efforts. Our team also completed a program assessment linked with the City's DEI toolkit and assessment. We also conducted an assessment of Department operations to recommend organizational efficiencies. This included evaluating policies and procedures, and analyzing the Town's recreation software to assess how it measured up to workloads and Departmental goals.

To examine the extent to which the Department's service provision is equitable, BerryDunn conducted a department-wide assessment of equitable service provision. Department staff and the consulting team identified three core departmental categories of equity for study: administrative, program menu, and program execution. Our team used the results to develop recommendations for improving equitable access to parks and recreation within the Town.

REFERENCE

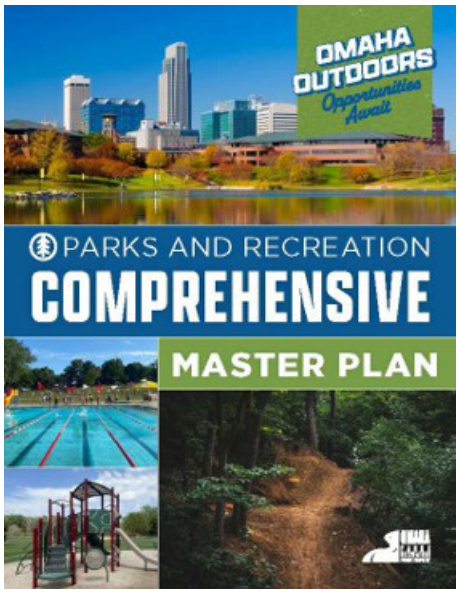
Lane Gram
90 E. Civic Center Dr.,
Gilbert, AZ 85296
480.503.6000
lane.gram@gilbertaz.gov
Project Dates: 11/2022 - 06/2024

City of Omaha, Nebraska

Parks and Recreation Master Plan

The City of Omaha thrives as a lively community of nearly 500,000 residents who value access to parks, trails, and recreational opportunities that enhance their quality of life. Spanning more than 10,000 acres across over 200 parks, Omaha's parks and recreation system connects neighborhoods through green spaces, trails, and community facilities that support active living and social connection. Our team developed a Parks and Recreation Comprehensive Plan to provide a 20-year roadmap for advancing parks, recreation, and public spaces across the city. Branded as Omaha Outdoors: Opportunities Await, the planning effort highlights what the Parks, Recreation, and Public Property Department is best known for: its robust and expansive park system.

Like Gilroy, the City wanted to focus on improving equitable distribution of parks and recreation assets and programs. Our team assessed program offerings and management practices, combining qualitative scoring with measurable outcomes to support a self-benchmarking analysis of how well the system offers opportunities for all. The master planning process included in-depth community engagement including thousands of touchpoints throughout the community. Our team also developed a detailed parks and recreation inventory and level of service analysis, a recreation programs analysis, a trails analysis, and an operations and maintenance assessment. We benchmarked the City against peer agencies and refined existing practices and standards to guide longterm system maintenance. The final plan was adopted in September 2025.



REFERENCE

Dan Seder, Assistant Director
1819 Farnam #701
Omaha, NE 68183
402.444.5900
daniel.seder@cityofomaha.org
Project Dates: 05/2024 - 09/2025

City of Redwood City, California

Parks, Recreation, and Community Services Department Sustainability Assessment of Services and Staffing

Redwood City's Parks, Recreation, and Community Services (PRCS) Department worked with BerryDunn to assess its operations. The PRCS Department wanted to know if its scope of work was sustainable with existing staff and budgetary resources. The City was faced with a growing population in which the percentage of older adults was projected to increase, while the percentage of youth was projected to decrease.

Our team engaged PRCS leadership and staff and assessed existing policies and other documents. We also assessed the existing parks and recreation system and the broader Redwood City community. From these tasks, our team made recommendations regarding organizational structure and staffing, appropriate levels of service, and operational changes to improve how PRCS served the community.

REFERENCE

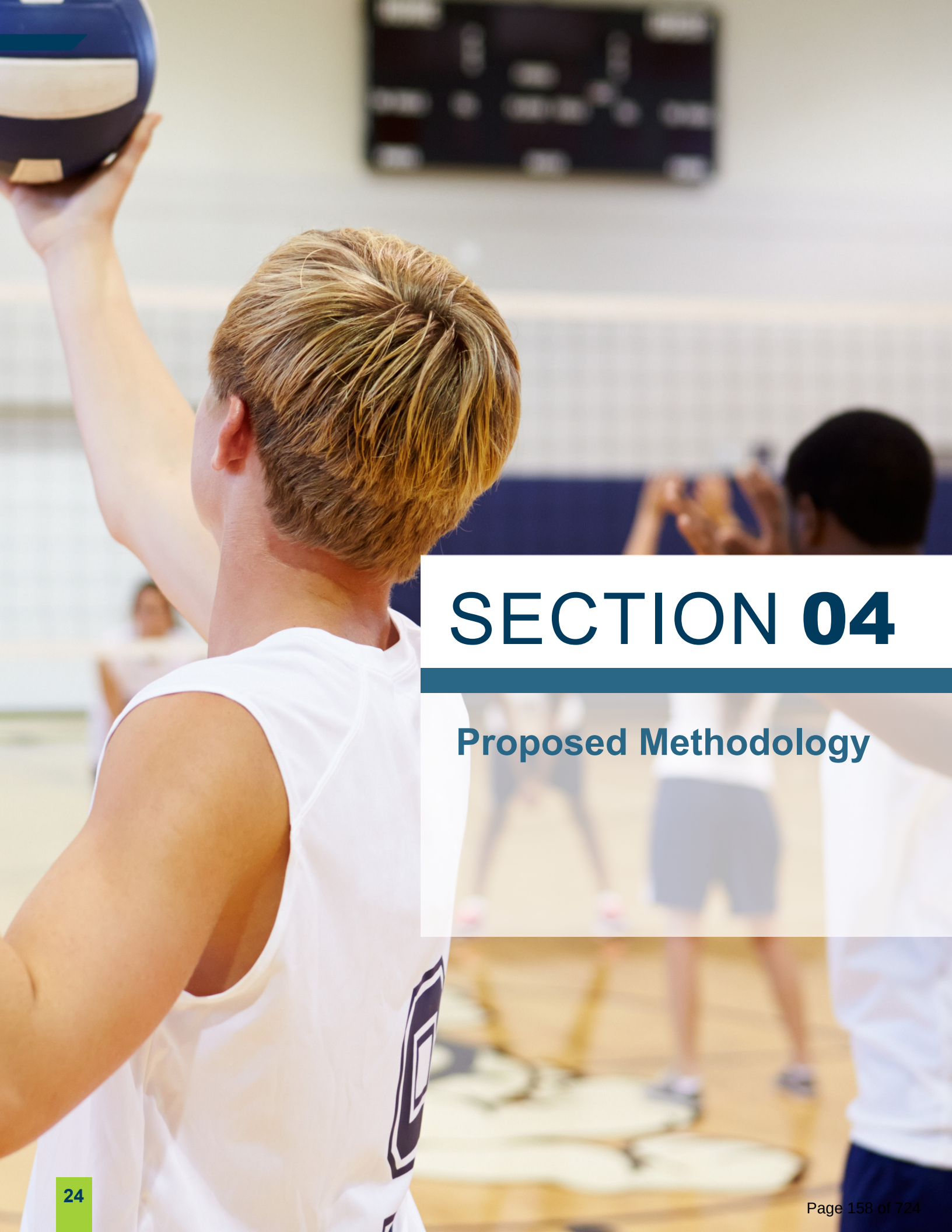
Derek Wolfgram, Library Director
1400 Roosevelt Ave.
Redwood City, CA 94061
650.780.7061
dwolfgram@redwoodcity.org
Project Dates: 10/2024 - 06/2025

Previous Work for Government Agencies

Our Local Government Practice Group (LGPG) has completed more than 900 projects for local government clients throughout the country. We know that every community is different—and that local context matters. That's why we're proud to bring both national experience and regional insight to our work in California. Whether it is helping cities plan for the future, improve operations, or build stronger community spaces, we have been honored to partner with agencies across the region. Below are a few examples of recent and ongoing projects that reflect LGPG's commitment to supporting communities just like yours.

- City of Alameda
- City of Belmont
- City of Camarillo
- City of Capitola
- City of Corona
- City of Cornado
- City of El Monte
- City of Fountain Valley
- City of Indio
- City of Irvine
- City of La Mesa
- City of Lake Elsinore
- City of Livermore
- City of Lodi
- City of Long Beach
- City of Menifee
- City of Milpitas
- City of Modesto
- City of Monterrey Park
- City of Novato
- City of Oxnard
- City of Palmdale
- City of Pasadena
- City of Redding
- City of Redlands
- City of Redwood City
- City of Richmond
- City of San Jose
- City of San Leandro
- City of San Rafael
- City of Santa Cruz
- City of Santa Maria
- City of Santa Monica
- City of Santee
- City of Simi Valley
- City of Sunnyvale
- City of Villa Park
- Coachella Valley Association of Governments
- Coachella Valley Water District
- Cosumnes Community Services District
- Imperial County
- Jurupa Area Recreation and Park District
- Kern County
- Oceanside Public Library
- Sacramento Municipal Utility District
- San Luis Obispo County
- Santa Clara County
- Santa Cruz County
- Sonoma County
- South Pasadena Public Library
- Southern California Library Cooperative
- Stanford University
- Stanislaus County
- Town of Los Gatos
- Vallejo Flood and Wastewater District

Together with our active involvement in the California Recreation and Park Society, this experience gives us a strong foundation of local knowledge and trusted relationships. It also helps to ensure that we bring meaningful insights, practical expertise, and a clear understanding of both regional needs and national best practices to this project.



SECTION 04

Proposed Methodology

Below and on the following pages, we present our work plan intended to achieve the City's goals and objectives for this important initiative. We look forward to discussing our approach with you and further customizing our work plan to best accommodate your needs.

1 Phase 1: Project Initiation, Background Review, and Governance

1.1 Initial Project Planning. We will begin with an initial project planning and discovery session to identify key interest groups, project team members, milestones, and expectations. During this session, we will review the proposed project schedule, work plan, and define roles and responsibilities. The insights gained will inform the development of the Project Work Plan and Schedule outlined in Task 1.2. As part of this effort, we will identify and map key internal and external stakeholders, clarifying roles such as decision-makers, advisors, implementation partners, and community contributors to guide engagement, communication, and decision-making throughout the project.

1.2 Project Work Plan and Schedule. Together, we will develop a detailed Project Work Plan and Schedule that clearly outlines the project scope, communication approach, meeting timelines, and key groups involved. This foundational plan will serve as our roadmap—building alignment from day one and helping ensure that all project activities stay on track. By defining roles, responsibilities, and quality control processes up front, the City will benefit from a smooth, transparent process that supports timely progress, high-quality deliverables, and confidence in every step of the engagement. This task will also result in a Communications and Engagement Plan that defines internal and external communication protocols, decision points, coordination with City communication channels, and a clear cadence for sharing project updates with staff, leadership, and the community.

1.3 Kickoff Presentation. We will facilitate a kickoff meeting with the City's project team to establish shared understanding, build early momentum, and lay the foundation for a strong partnership. This session will introduce our team, clarify project goals, walk through our approach and methodology, and confirm key milestones and expectations. In addition to aligning on process and logistics, we will tour relevant parks and recreation facilities. This firsthand experience will allow us to better understand your community context, user experience, and operational realities—helping to ensure that our recommendations are informed, practical, and grounded in the unique characteristics of the City's system.

1.4 Data Request and Data Review. A successful project starts with a clear, well-rounded understanding of the City's current environment. To lay that foundation, we will submit an initial information request to gather key documents and data related to your plans, organizational structure, operations, and systems. By reviewing this information early in the process, our team can build a shared understanding, identify strategic opportunities, and help ensure that our work builds on—not duplicates—your previous efforts. This approach minimizes the burden on your staff while allowing us to deliver recommendations that are informed, relevant, and aligned with your organization's goals and community needs. Information reviewed may include but is not limited to budgets, fee schedules, staffing plans, organizational charts, participation and registration data, facility condition information, policies, prior plans, and relevant operational reports.

1.5 Biweekly Status Update Meetings. We will hold biweekly status update meetings with the City's project manager to maintain clear, proactive communication throughout the project. These check-ins will keep your team informed on progress, help anticipate upcoming needs and provide a forum to address risks or challenges early—supporting a smooth workflow, minimizing delays, and helping to ensure the project stays aligned with your goals and timeline.

1.6 Governance and CAPRA Readiness Review. BerryDunn will conduct a detailed CAPRA readiness review of the Recreation Division, evaluating policies, practices, and procedures against the National Recreation and Park Association (NRPA) CAPRA standards. This review will assess the Division's level of alignment across CAPRA categories, with particular attention to governance, planning, finance, human resources, risk management, operations, and administrative systems. BerryDunn will evaluate not only whether standards are being

met in practice, but also whether clear, consistent, and verifiable documentation exists to demonstrate compliance—recognizing that documentation is vital to the accreditation process and that each applicable standard requires defensible evidence.

Findings will identify areas of full compliance, partial compliance, and gaps, with clear differentiation between policy-level issues and documentation-related gaps. The review will also highlight near-term "quick win" actions that can be implemented immediately to strengthen documentation, improve alignment with CAPRA standards, and enhance overall operational effectiveness, as well as longer-term considerations that may require policy updates, procedural changes, or resource investment.

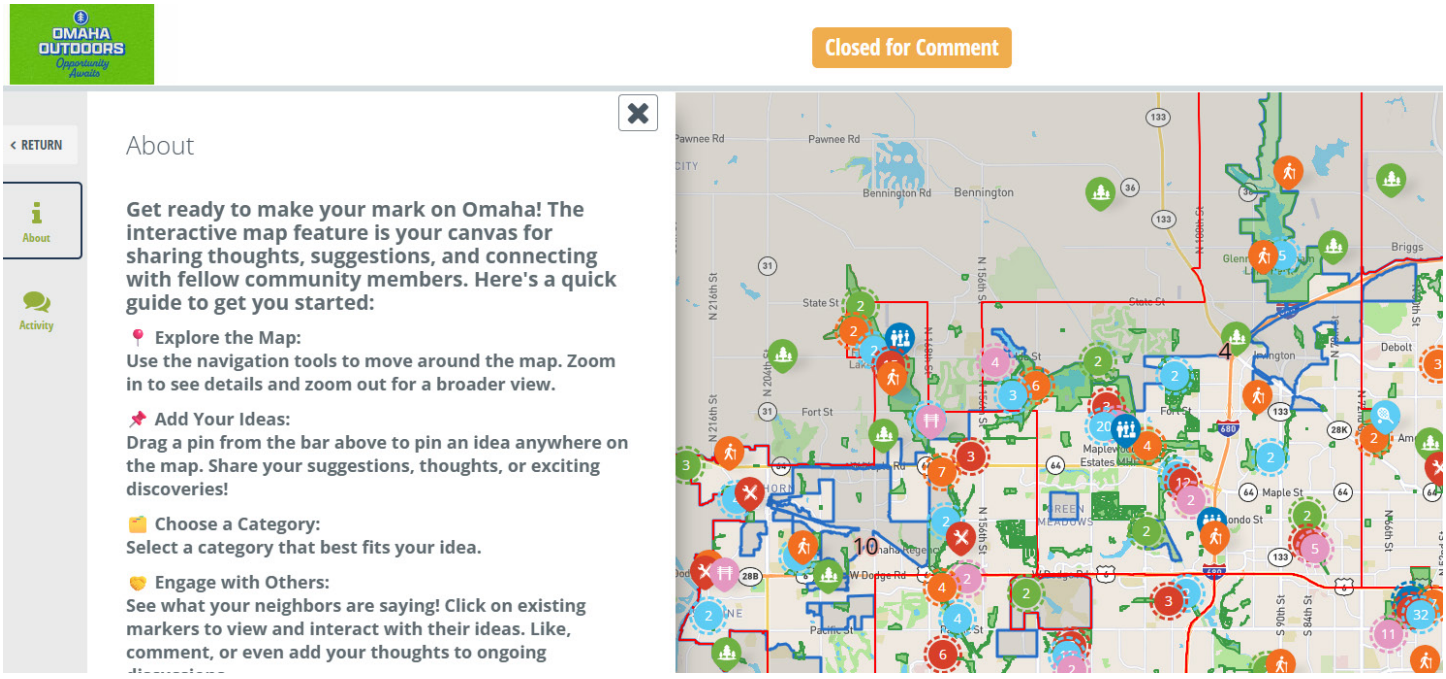
Phase 1 Deliverables

- Deliverable 1: Project Work Plan and Schedule with Stakeholder Map and Project Governance Framework
- Deliverable 2: CAPRA Standards Gap Summary

2 Phase 2: Community Engagement And Needs Assessment

2.1 Public Engagement Strategy. To help ensure broad, meaningful, inclusive, and transparent participation in the process, we will develop a public engagement strategy. This strategy is designed to increase access, build trust, and generate actionable input that reflects the full spectrum of community needs and priorities. It will also align with the City's culture, identity, and community dynamics. This strategy will outline how, when, and where input will be gathered, define outreach and promotional efforts, and help ensure each engagement activity is purposeful, inclusive, and results in insights that will directly inform project decisions. The engagement strategy will also establish methods for tracking participation by demographic and geographic characteristics, allowing outreach approaches to be adjusted as needed to help ensure representation from diverse community groups.

2.2 Community Workshops, Stakeholder Interviews, and Focus Group Sessions. Our team will facilitate a series of public engagement activities, including community workshops, stakeholder interviews, and focus groups. Community conversations will consist of four interactive



Sample project-specific website

workshops to gather diverse, actionable input from key community stakeholders, including businesses, nonprofits, public agencies, volunteer partners, and neighborhood representatives. Stakeholder interviews and focus groups will consist of 12 topic- and/or population-specific meetings with options for hybrid delivery. For all activities, we will collaborate closely with the City to identify and invite the most relevant groups and individuals, tailoring engagement activities to maximize meaningful participation. Anticipating potential barriers such as technology access, childcare, language, and physical accessibility, we will design inclusive events—offering child-friendly environments, accessible venues, flexible scheduling, and multilingual options through tools like Social Pinpoint—to help ensure broad and equitable community involvement. This thoughtful approach will strengthen community trust and produce recommendations that are representative, informed, and actionable.

Engagement instruments developed for this phase will include structured discussion guides, interview protocols, visual preference tools, and intercept survey questions tailored to each engagement format.

2.3 Community Events. We will attend three community events designed to actively engage community members through interactive booths, providing accessible and inviting opportunities for residents to share their input. By selecting creative and high-traffic locations tailored to the unique character of the City, we will maximize community participation and foster meaningful connections. Drawing on successful strategies from similar planning efforts, these events will capture diverse voices through engaging activities and intercept surveys, resulting in richer community insights that directly inform planning recommendations. We can conduct these intercept surveys along with pop-up booths featuring interactive elements at:

- Gilroy Garlic Festival
- Social events, such as concerts or family movie events
- Regular gatherings, such as public markets
- Widely accessed sites, such as parks, community centers, or public library

2.4 Project Website and Engagement Portal. We will partner with City staff to develop a customized project website that keeps the community engaged and informed throughout the planning process. This interactive platform will provide easy access for community members to share input, resulting in a broader and more diverse range of perspectives that directly inform planning decisions. By selecting tools like surveys, mapping, forums, and idea walls tailored to the City's unique goals and community

culture, we will enhance outreach effectiveness and foster stronger connections between the City and its stakeholders. Maintaining the website throughout the project will help ensure ongoing transparency, encourage continued participation, and support timely communication of project milestones and events.

2.5 Statistically Valid Survey. BerryDunn strongly advocates for incorporating statistically valid surveys in all planning projects to capture a detailed and accurate picture of community needs. While stakeholder meetings and public forums engage active users and interested parties, surveys uniquely reach non-users—who often represent taxpayers and key decision-makers—helping to ensure their voices shape the plan's direction.

Partnering with ETC, experts in survey design and analysis, we will develop and distribute a geographically diverse survey to a representative sample of households within the City. The insights gained will provide critical data on community values, satisfaction, priorities, awareness, usage patterns, and demographics, enabling informed, equitable, and data-driven decisions that guide sustainable long-range planning. Survey design, sampling methodology, administration, and question development will follow NRPA best-practice guidance to help ensure statistically reliable, actionable, and defensible results.

2.6 Public Engagement Feedback Summary. Our team will deliver a Public Engagement Feedback Summary that synthesizes key insights gathered throughout the engagement process. By analyzing demographics, comparable providers, staff input, and community feedback together, we will identify common themes, uncover service gaps, and highlight critical observations. This integrated assessment will provide a clear understanding of community needs and priorities, directly informing actionable recommendations that align with the City's goals and drive meaningful improvements. We will deliver presentations to key stakeholders, including City leadership, the Parks Advisory Board, the Planning & Zoning Commission, the Neighborhood Revitalization Advisory Board, and City Council, to help ensure we build share awareness of public perceptions, as well as provide an opportunity for participants to confirm and provide feedback on findings.

Engagement findings will directly inform an updated recreation needs assessment that refreshes and builds upon the City's 2020 Recreation and Facility Needs Assessment.

Phase 2 Deliverables

- Deliverable 3: Community Engagement Plan
- Deliverable 4: Engagement Findings Summary and Updated Needs Assessment Report

3 Phase 3: Staffing and Organization Assessment

3.1 Organizational Structure Review. BerryDunn will evaluate the Recreation Division's organizational structure, including reporting relationships, spans of control, role clarity, and functional alignment across management, full-time staff, part-time staff, seasonal staff, and contracted service providers. This review will assess how responsibilities are distributed, where decision-making authority resides, and how work flows across programs, facilities, and administrative functions.

As part of this effort, BerryDunn will engage staff through targeted interviews and/or facilitated working sessions to understand day-to-day responsibilities, workload distribution, communication practices, and operational pain points. Particular attention will be paid to areas where staff are managing multiple roles, where responsibilities overlap or are unclear, and where critical functions may be under-resourced or overly dependent on institutional knowledge.

The assessment will also evaluate how the current structure supports (or constrains) equity goals, customer service expectations, risk management, and coordination with other City departments and external partners.

3.2 Staffing Levels and Benchmarking. BerryDunn will analyze current staffing levels and deployment across programs, facilities, and service areas, accounting for full-time, part-time, seasonal, and contracted positions. Staffing capacity will be benchmarked against NRPA and California peer agencies using multiple lenses, including per-capita ratios, staffing per program area, and staffing per facility or service type, where appropriate.

Benchmarking will be used not as a one-size-fits-all comparison, but as a diagnostic tool to help the City understand how its staffing model compares to agencies with similar populations, service offerings, and operating contexts. BerryDunn will identify areas where staffing levels appear misaligned with service demands, program intensity, facility complexity, or community expectations.

3.3 Workforce Development, Succession Planning, and Future Needs. BerryDunn will assess workforce development practices, including training opportunities, onboarding processes, supervision capacity, and professional growth pathways for both full-time and part-time staff. The assessment will identify skills gaps, supervisory challenges, and areas where additional training or cross-training could improve service quality, efficiency, and risk management.

In addition, BerryDunn will evaluate succession planning and future workforce needs, considering factors such as anticipated retirements, reliance on key individuals, and the Division's ability to adapt to changing service demands, community growth, and evolving recreation trends. Findings will inform recommendations related to organizational resilience, staff retention, and long-term capacity building.

Recommendations will be presented through clear, scenario-based options, ranging from no-cost or low-cost operational adjustments to longer-term staffing investments, allowing City leadership to evaluate trade-offs and prioritize actions based on feasibility, impact, and available resources.

Phase 3 Deliverables

- Deliverable 5: Organizational and Staffing Assessment Memorandum with Peer Staffing Benchmark Analysis and Updated Organizational Chart and Role Descriptions

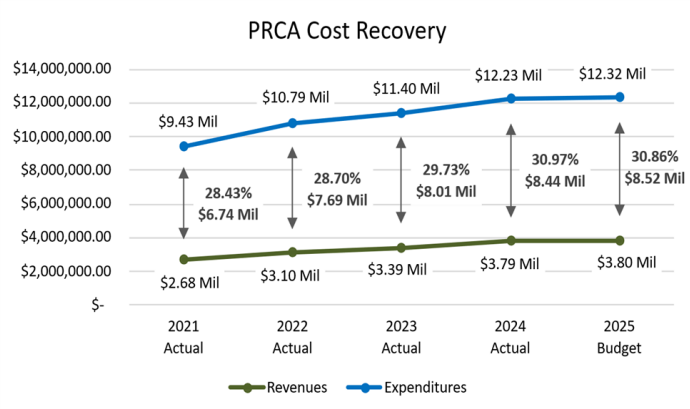
4 Phase 4: Financial Analysis, Cost Recovery, and Fee Policy

4.1 Financial Trend Analysis and Category-Level Cost Recovery. BerryDunn will conduct a three to five-year financial trend analysis of Recreation Division revenues and expenditures, organized by major service categories and facilities where appropriate. This analysis will examine how costs, revenues, and subsidies have evolved over time and how financial performance differs across lines of business such as youth services, adult programming, senior services, aquatics, contract classes, facility rentals, and special events.

The analysis will focus on:

- Revenue sources by category (fees, contracts, grants, sponsorships, and other sources)
- Expenditure patterns, including staffing, operating costs, and shared overhead allocation
- Category-level cost recovery and subsidy levels
- Trends in participation, demand, and financial performance over time

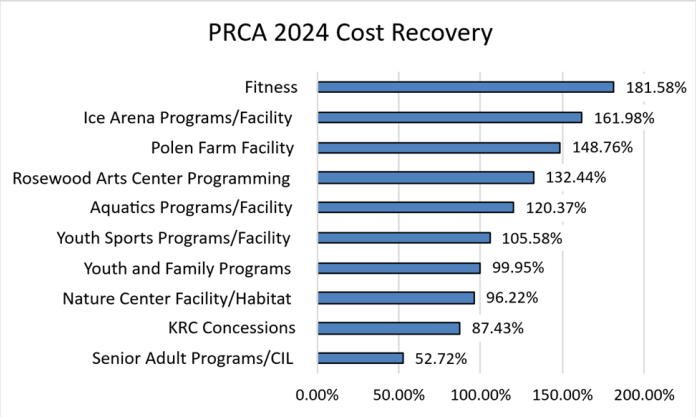
This approach will allow the City to understand which service categories are structurally subsidy-dependent, which are closer to cost recovery, and where cost recovery expectations may need to be clarified or recalibrated. The analysis will also identify broader structural challenges, such as rising labor costs, reliance on unstable revenues, or mismatches between service intensity and pricing, as well as opportunities to improve financial sustainability at the system level.



4.2 Cost Recovery and Resource Allocation Policy. Building on the category-level financial analysis, BerryDunn will develop a Cost Recovery and Resource Allocation Policy that provides a consistent, transparent framework for setting subsidy expectations across recreation service categories. The policy will define appropriate levels of public investment based on community benefit, individual benefit, and market context, while explicitly protecting access for economically disadvantaged residents.

The policy will:

- Establish cost recovery categories for different types of recreation services
- Define target cost recovery ranges and subsidy expectations at the category level
- Clarify how equity considerations, such as scholarships and fee assistance, are incorporated
- Provide guidance for applying the policy to fee setting, budgeting, and future decision-making
- Recommend a process for regular review and adjustment as costs, demand, and community priorities change



This policy will support informed, defensible decisions by staff and elected officials and help ensure that financial resources are aligned with the City's values and service objectives.

4.3 Fee Strategy, Revenue Diversification, and Funding Opportunities. BerryDunn will evaluate the Recreation Division's fee structure at the service-category level, benchmarking fees and cost recovery targets against comparable California agencies with similar population size, service mix, and market conditions. This analysis will identify areas where fees may be misaligned with category-level costs, market norms, or community expectations.

In addition to fee benchmarking, BerryDunn will identify opportunities to strengthen and diversify revenues across service categories, which may include:

- Adjustments to fees and pricing strategies consistent with the Cost Recovery Policy
- Refinement of contractual and partnership-based service delivery models
- Sponsorship and naming opportunities appropriate for public recreation services
- Grant and external funding opportunities aligned with recreation, health, equity, and community development priorities

Recommendations will be framed to balance financial sustainability with affordability and access, supporting the City's ability to maintain a diverse and inclusive recreation system while responsibly managing public resources. We will develop an interactive financial dashboard that visualizes multi-year trends in revenues, expenditures, cost recovery, and subsidies by program and facility, enabling staff and decision-makers to monitor financial performance and support data-driven recommendations.

Phase 4 Deliverables

- Deliverable 6: Financial Trend and Cost Recovery Analysis
- Deliverable 7: Financial Dashboard
- Deliverable 8: Draft Cost Recovery and Resource Allocation Policy with Fee Strategy and Equity Support Framework

5 Phase 5: Program and Service Portfolio Review

5.1 Program and Service Performance Review. BerryDunn will analyze participation patterns, demographics served, utilization trends, staffing demands, and financial performance across the Recreation Division's program and service categories. This analysis will draw on participation data, registration records, staffing schedules, and other available information to identify patterns of demand, shifts in participation over time, and differences in usage across age groups, neighborhoods, and service types.

The review will assess the breadth and mix of offerings for youth, adults, and older adults, including how services are distributed geographically and whether access varies by demographic or neighborhood. Findings will highlight areas of high demand, underutilization, and potential service gaps, as well as opportunities to better align service levels with community priorities identified through public engagement.

5.2 Program Life Cycle and Portfolio Alignment Analysis. Using a life cycle framework (introduce, grow, mature, and decline), BerryDunn will evaluate the Recreation Division's program and service categories to understand where offerings are expanding, stable, or in need of reinvestment or recalibration. This analysis will consider alignment with community needs, equity objectives, staffing capacity, facility availability, and financial sustainability.

To ground the analysis in operational realities, BerryDunn will facilitate a working session or focus group with Recreation Division staff to discuss current delivery models, operational challenges, program scalability, and opportunities for refinement or growth. Staff insights will be integrated with quantitative data to help ensure recommendations are practical and implementable.

BerryDunn will also conduct a program menu inventory to assess the overall variety, balance, and accessibility of recreational opportunities offered across the system. Participation trends will be mapped geographically, including the development of a participation heat map, to visualize demand, identify underserved areas, and assess whether existing facilities and infrastructure can support a future program mix that maximizes community impact.

By integrating program data, staff input, public engagement findings, and facility considerations, this phase will provide a clear, system-level understanding of how the current program and service portfolio supports—or limits—the City's ability to deliver equitable, responsive, and sustainable recreation services.

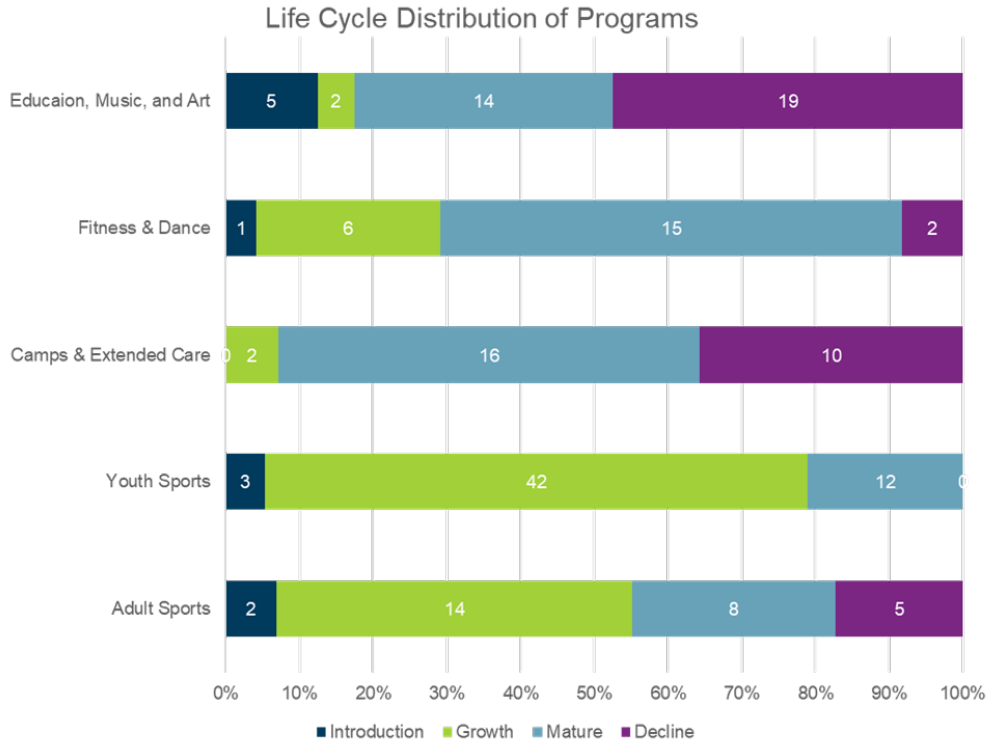
Phase 5 Deliverables

- Deliverable 9: Program and Service Portfolio Evaluation Summary with Program Lifecycle and Alignment Matrix and 12–24 Month Program Adjustment and Pilot Plan

6 Phase 6: Facilities, Asset Management, and Capital Needs

6.1 System Inventory and Facility Condition Assessment. BerryDunn will conduct an inventory of the City's parks, and recreation facilities. The inventory will document facility location, size, classification, amenities, and overall condition, with attention to accessibility, site access, connectivity, and operational functionality.

The assessment will begin with a GIS data request to compile available spatial and asset information, enabling the development of a consistent, system-



wide inventory. BerryDunn will review and confirm the City's existing park and facility classification system to help ensure it reflects current conditions, intended functions, and industry best practices. This classification framework will support meaningful comparison across facilities and inform level-of-service analysis.

Planning-level condition assessments and life cycle considerations will be incorporated to document asset condition, identify deferred maintenance concerns, and estimate remaining useful life for major amenities. This information will provide a clear understanding of where reinvestment is needed to maintain safe, accessible, and functional facilities.

6.2 Level of Service and Access Analysis. Using the system inventory and GIS data, BerryDunn will conduct a Level of Service (LOS) and access analysis to evaluate how well parks and recreation facilities serve the community today. This analysis will assess service coverage, geographic access, and alignment with community growth patterns and demographic trends.

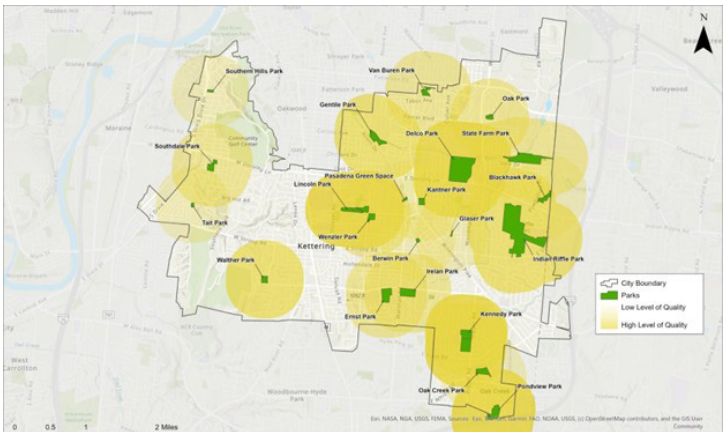
A 10-minute walk analysis will be used to identify areas with limited access to parks and recreation opportunities, highlight underserved neighborhoods, and reveal opportunities to improve equitable access. Findings will consider both physical access and the type and quality of amenities available, providing a nuanced understanding of system performance beyond acreage alone.

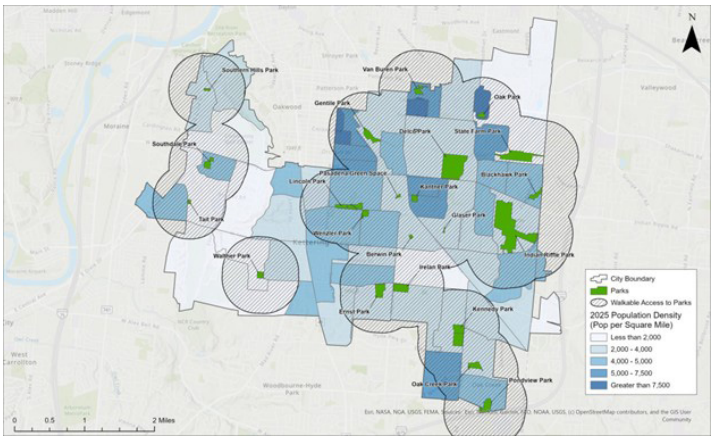
6.3 Capital Improvement and Investment Planning. Findings from the inventory, condition assessment, and LOS analysis will inform the development of a phased capital improvement roadmap. BerryDunn will identify priority investments needed to address access gaps, reinvest in aging assets, respond to growth, and support the City's future recreation program and service portfolio.

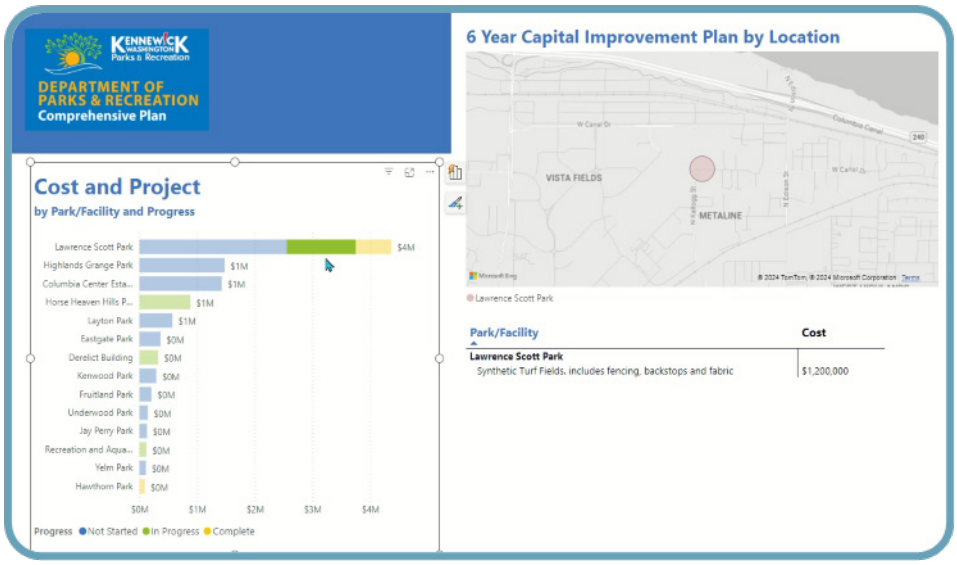
The capital improvement roadmap will organize needs into near-, mid-, and long-term horizons and include order-of-magnitude cost estimates and high-level funding considerations. This roadmap will provide City leadership with a clear, defensible framework for prioritizing capital investments and aligning resources with community needs and strategic goals.

Phase 6 Deliverables

- Deliverable 10: Facility Needs Assessment Report and Phased Capital Improvement Roadmap with ROM Cost Estimates
- Deliverable 11: Facility Inventory and Condition Assessment Book







Sample CIP Dashboard

7 Phase 7: Technology, Data, and Business Processes

7.1 Systems, Data, and Process Assessment. BerryDunn will review the Recreation Division's registration and reservation systems, point-of-sale (POS) functions, scheduling and staffing tools, reporting capabilities, and data governance practices. This assessment will examine how information flows from customer-facing systems through financial reporting and management dashboards, and where manual workarounds, duplicate data entry, or system limitations create inefficiencies or increase risk.

The review will include staff interviews and workflow mapping to document current business processes related to registration, refunds, waitlists, scheduling, utilization tracking, revenue reporting, and customer communications. Particular attention will be paid to areas that directly affect customer experience, staff workload, financial transparency, and the Division's ability to track participation, utilization, and cost recovery at a meaningful level.

BerryDunn will also evaluate data quality, consistency, and accessibility, including how data are collected, stored, validated, and used across systems. This will include an assessment of reporting functionality and the Division's ability to generate timely, accurate information to support management decisions, budget development, and performance monitoring.

7.2 Performance Measurement and Decision Support. Building on the systems and process review, BerryDunn will identify opportunities to strengthen performance measurement and decision support. This includes defining a core set of key performance indicators (KPIs) aligned with NRPA and CPRS best practices, such as participation trends, utilization rates, cost recovery by service category, and customer service metrics.

Recommendations will focus on practical, achievable improvements—such as improved reporting structures, standardized data definitions, and clearer performance dashboards—that enable staff and leadership to monitor system performance, communicate results, and support continuous improvement without increasing administrative burden.

Phase 7 Deliverable

- Deliverable 12: Technology and Business Process Improvement Plan with KPI Framework

8 Phase 8: Equity, Partnerships, Risk and Performance

8.1 Equity, Access, and Inclusion (Opportunities for All Framework). BerryDunn will apply its Opportunities for All framework to evaluate equity, access, and inclusion across the Recreation Division. This framework moves beyond participation counts alone to examine who is served, who is

underrepresented, and why—using data, policy, pricing, and service delivery lenses together.

We will map recreation participation and service utilization against community demographics and geographic distribution to identify disparities related to income, age, race and ethnicity, language, ability, transportation access, digital access, and proximity to facilities. This analysis will highlight where structural barriers—such as cost, location, scheduling, language access, or awareness—may limit participation.

Equity findings will be integrated directly with the Cost Recovery and Resource Allocation Policy, allowing the City to assess how pricing, scholarships, and fee assistance programs support or constrain access for socioeconomically challenged populations. BerryDunn will evaluate whether current equity tools are aligned with community need and whether they are implemented consistently across service categories.

Recommendations will focus on practical, scalable strategies to expand access, such as targeted outreach, language access improvements, mobile or pop-up programming, place-based service delivery, and targeted pilot initiatives designed to reach underrepresented populations. The emphasis will be on embedding equity into everyday decision-making rather than treating it as a standalone program.

8.2 Partnerships, Sponsorships, and Volunteer Programs. BerryDunn will inventory and assess existing partnerships, memoranda of understanding (MOUs), shared-use agreements, sponsorships, and volunteer programs, including relationships with schools, libraries, nonprofits, leagues, and community organizations. This assessment will evaluate performance, alignment with City goals, administrative burden, and risk exposure.

The review will identify opportunities to strengthen existing partnerships, streamline or formalize agreements, and explore new partnership and shared-use models that expand service reach without disproportionately increasing staffing or operating costs. BerryDunn will also assess the structure and management of volunteer programs to help ensure appropriate oversight, role clarity, and alignment with risk management practices.

8.3 Risk Management, Safety, and Operational Standards. BerryDunn will conduct an **advisory review (not a legal review)** of policies, procedures, and practices related to risk management and safety, including incident reporting, background checks, youth and aquatic safety protocols, emergency response plans, insurance coverage, and staff training requirements. This review will be informed by relevant CAPRA standards and industry best practices.

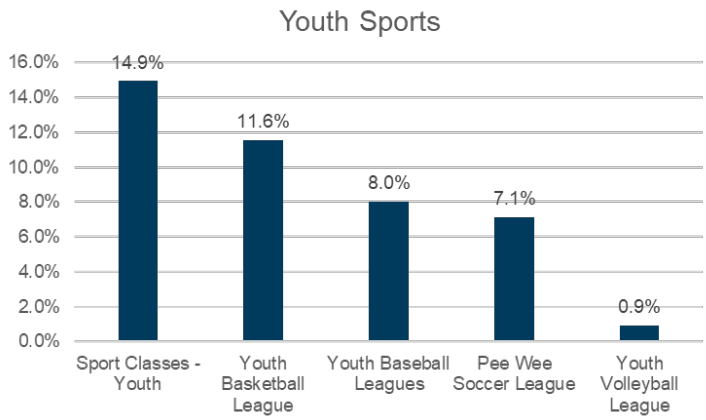
The assessment will identify gaps, inconsistencies, or outdated practices and recommend priority updates to standard operating procedures (SOPs), documentation, and training cadence to support consistent, defensible operations and reduce liability exposure.

8.4 Performance Measurement and Benchmarking. BerryDunn will develop a performance measurement framework aligned with NRPA and CPRS Agency Performance Review metrics. We will use this framework to develop a focused set of KPIs dashboard and definitions that support monitoring of participation, equity outcomes, cost recovery, operational efficiency, maintenance performance, and customer experience.

The framework will define data sources, collection cadence, and reporting formats, including recommendations for internal dashboards and public-facing reporting. Emphasis will be placed on metrics that are meaningful, achievable, and sustainable within existing staffing and system capacity.

8.5 Programmatic Mini-Studies. BerryDunn will conduct focused programmatic mini-studies for key recreation service clusters identified in the RFP, such as adaptive recreation, aquatics, youth and adult sports, senior services, contract classes, special events, volunteers, reservations, and targeted community recreation services.

Each mini-study will evaluate staffing and service delivery models, program mix, risk considerations, fee strategy and affordability relative to cost recovery expectations, and industry best practices, including effective marketing and outreach strategies. The intent is to inform portfolio-level decisions rather than redesign individual programs.



Sample Mini Study

8.6 SWOT Analysis and Growth Opportunities. BerryDunn will conduct an in-depth strengths, weaknesses, opportunities, and threats (SWOT) analysis to synthesize findings from the organizational, staffing, financial, program, facility, equity, and performance assessments completed in earlier phases. The SWOT analysis will provide a clear, structured summary of internal and external factors affecting the Recreation Division's current performance and future direction.

This analysis will integrate quantitative findings (e.g., staffing ratios, cost recovery by service category, participation and access patterns, facility condition and access gaps) with qualitative input from staff engagement and community feedback. Strengths and weaknesses will focus on internal factors such as organizational capacity, service delivery models, operational practices, and resource allocation, while opportunities and threats will address external factors including demographic change, growth pressures, funding constraints, partnership potential, and regulatory or risk considerations.

The SWOT analysis will be used as a decision-support tool to frame strategic trade-offs, clarify priorities, and inform the development of actionable recommendations in subsequent phases.

8.7 Growth and Opportunity Identification. Building on the SWOT analysis, BerryDunn will identify short- and long-term growth and improvement opportunities for the Recreation Division. This phase will focus on realistic, implementable strategies that respond to community needs, operational capacity, financial sustainability, and facility readiness.

BerryDunn will explore opportunities across multiple dimensions, including:

- Expansion or refinement of recreation services and service categories
- Alternative service delivery models, including partnerships and contractual arrangements
- Shared-use agreements and collaboration with schools, nonprofits, and regional partners
- Place-based or targeted service strategies to address access gaps and underserved populations
- Revenue-supported or cost-neutral growth opportunities aligned with the Cost Recovery Policy

Recommendations will be evaluated in the context of staffing capacity, capital constraints, operating impacts, and long-term sustainability. The intent of this phase is not to recommend growth for growth's sake, but to identify opportunities that are aligned with the City's values, feasible within available resources, and responsive to evolving community needs.

Phase 8 Deliverables

- Deliverable 13: Equity and Access Action Plan
- Deliverable 14: Partnership and Sponsorship Framework
- Deliverable 15: Operations, Safety, and Risk Management Review
- Deliverable 16: Programmatic Mini-Study Summaries
- Deliverable 17: SWOT Analysis
- Deliverable 18: Growth Opportunities Report

9 Phase 9: Implementation Roadmap and Council Presentation

9.1 Visioning and Strategic Prioritization Workshops. BerryDunn will facilitate one or more structured visioning and prioritization workshops with City leadership and key staff to confirm the desired future direction of the Recreation Division and to test and refine preliminary findings. These sessions will focus on aligning recommendations with City goals, operational capacity, and community expectations.

Topics may include, but are not limited to:

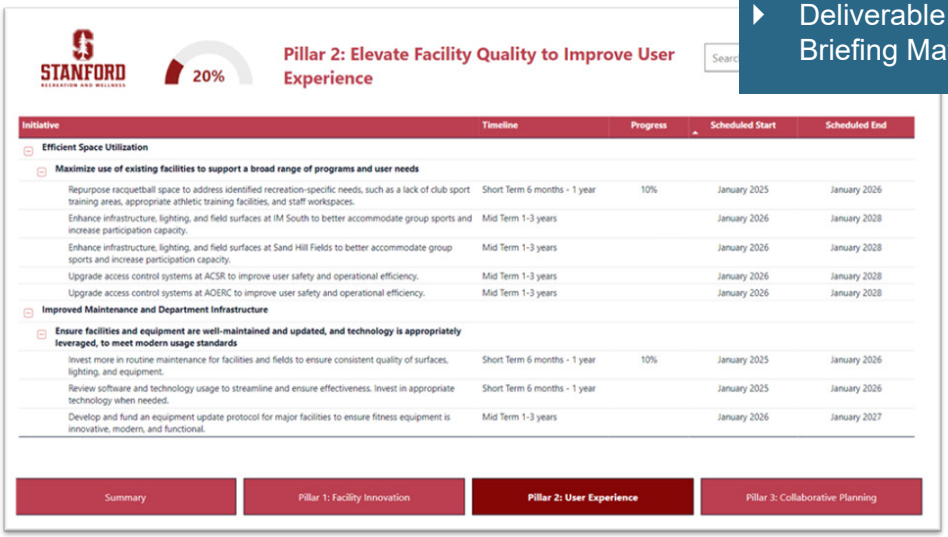
- Desired levels of service across parks, facilities, trails, and recreation services
- Maintenance and operational service expectations
- Land acquisition and facility development considerations
- Funding and financing strategies
- Partnership and alternative service delivery opportunities

The workshops will help establish a shared understanding of priorities, trade-offs, and sequencing, helping ensure recommendations are grounded in City realities and positioned for successful implementation.

9.2 Implementation Roadmap and Strategic Action Framework. Building on the assessment findings and workshop input, BerryDunn will develop a prioritized implementation roadmap that organizes recommendations into clear, actionable steps. The roadmap will include:

- Priority actions organized by near-, mid-, and long-term time frames
- Estimated cost ranges and potential funding sources
- Responsible parties and implementation considerations
- Key dependencies and decision points

Rather than a standalone master plan, this framework will function as a decision-support tool that allows the City to advance improvements incrementally and strategically.



9.3 Draft Assessment Report and Review. BerryDunn will prepare a Draft Recreation Division Assessment Report that synthesizes all analyses, findings, and recommendations from the project. The draft report will be provided to City staff for review and feedback. BerryDunn will facilitate a structured review session to discuss comments, confirm priorities, and refine recommendations as needed.

9.4 City Council Presentation and Final Deliverables. BerryDunn will prepare presentation materials and deliver a formal presentation to City Council and key stakeholders. The presentation will focus on:

Key findings and implications

- Policy and investment options
- Priority recommendations and implementation roadmap
- Near-term actions and decision points

Following the presentation and incorporation of final feedback, BerryDunn will prepare the Final Recreation Division Assessment Report and associated implementation materials suitable for public release and ongoing use by City staff.

Phase 9 Deliverables

- Deliverable 19: Draft Recreation Division Assessment Report with Phased Implementation Roadmap (0–6, 6–18, 18–36 months)
- Deliverable 20: Final Recreation Division Assessment Report
- Deliverable 21: City Council Presentation and Briefing Materials

SECTION 05

Proposed Timeline

Below is our anticipated schedule for completing the City's requested scope of work. We expect the project to take approximately 10 to 12 months and look forward to collaborating with the City to finalize the timeline. We remain flexible to adjust the schedule as needed—whether to accelerate or extend the process—while helping to ensure consistent progress and momentum throughout the project.

Table 1: BerryDunn's Proposed Schedule

Phase / Months	M	A	M	J	J	A	S	O	N	D	J
Ongoing Project Management	●	●	●	●	●	●	●	●	●	●	●
Phase 1: Project Initiation, Background Review, and Governance	●	●									
Phase 2: Community Engagement and Needs Assessment		●	●	●	●						
Phase 3: Staffing and Organization Assessment		●	●	●							
Phase 4: Financial Analysis, Cost Recovery, and Fee Policy		●	●	●	●						
Phase 5: Program and Service Portfolio Review			●	●	●						
Phase 6: Facilities, Asset Management, and Capital Needs		●	●	●							
Phase 7: Technology, Data, and Business Processes					●	●	●				
Phase 8: Equity, Partnerships, Risk, and Performance					●	●	●				
Phase 9: Implementation Roadmap and Council Presentations							●	●	●	●	●

SECTION 06

Prior Work Sample

On the following pages, we provide the Executive Summary from the Omaha, Nebraska Parks and Recreation Comprehensive Master Plan. Scan this QR Code or cick this link to the full document.

VIEW WORK SAMPLES

Executive
Summar

The Parks and Recreation Comprehensive Master Plan (Plan) is the first plan of this scope undertaken by the City of Omaha (Omaha) and its Parks, Recreation, and Public Property Department (PRPP). It provides a 20-year roadmap for advancing parks, recreation, and public spaces across the city. Branded as *Omaha Outdoors: Opportunities Await*, the planning effort highlights what PRPP is best known for: its robust and expansive park system.

The planning effort was led by Berry, Dunn, McNeil & Parker, LLC (BerryDunn), a national consulting firm specializing in local government strategy and operations. The effort was supported by Omaha-based landscape architecture firm Vireo and ETC Institute, a nationally recognized survey research firm.

Why This Plan Matters

Omaha's residents deeply value their parks and recreation system. With over 250 parks, more than 10,000 acres of land, 130 miles of trails, and a wide range of specialized amenities, the system plays a vital role in community health, well-being, and civic pride. However, growing demand, aging infrastructure, staffing limitations, and funding constraints have created systemwide pressure. This Plan responds to those challenges with actionable strategies informed by public input, data analysis, and national benchmarking.

Planning Process

The 14-month process (July 2024–September 2025) included:

ENGAGING THE COMMUNITY
Thousands of residents shaped the Plan through surveys, focus groups, and public meetings.

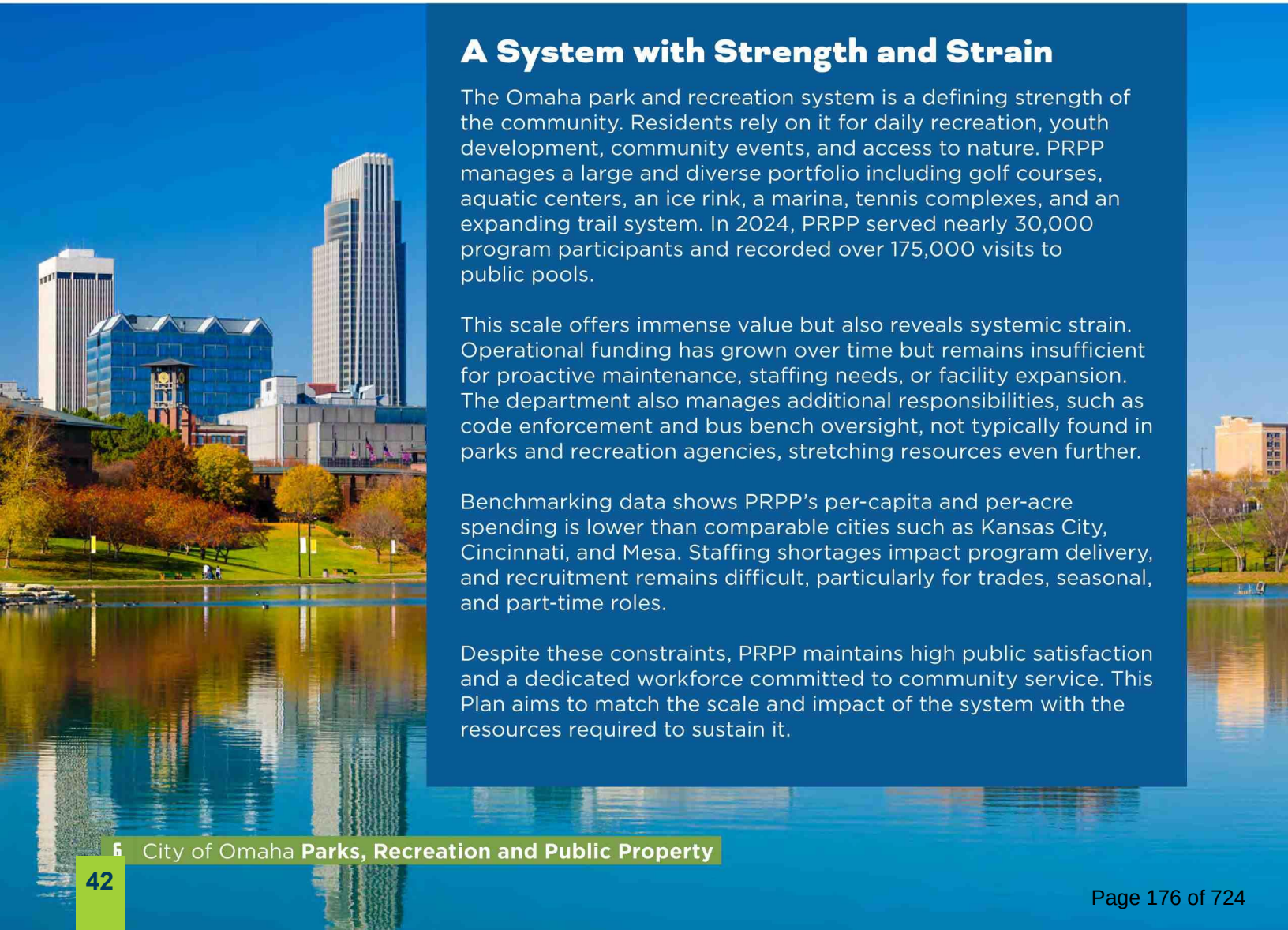
REVIEWING PARK INVENTORY AND ACCESS
Assessed park conditions, distribution, and distance-based access to identify service gaps.

EVALUATING OPERATIONS AND BENCHMARKS
Analyzed staffing levels, funding, and comparisons with peer cities.

PLANNING TRAIL CONNECTIVITY
Identified gaps in the trail network and prioritized connections to improve system continuity.

ASSESSING RECREATION PROGRAMS
Reviewed offerings, participation trends, and unmet demand across age groups and regions.

SETTING MAINTENANCE STANDARDS
Reviewed current practices and defined standards to guide the long-term care of parks.



A System with Strength and Strain

The Omaha park and recreation system is a defining strength of the community. Residents rely on it for daily recreation, youth development, community events, and access to nature. PRPP manages a large and diverse portfolio including golf courses, aquatic centers, an ice rink, a marina, tennis complexes, and an expanding trail system. In 2024, PRPP served nearly 30,000 program participants and recorded over 175,000 visits to public pools.

This scale offers immense value but also reveals systemic strain. Operational funding has grown over time but remains insufficient for proactive maintenance, staffing needs, or facility expansion. The department also manages additional responsibilities, such as code enforcement and bus bench oversight, not typically found in parks and recreation agencies, stretching resources even further.

Benchmarking data shows PRPP's per-capita and per-acre spending is lower than comparable cities such as Kansas City, Cincinnati, and Mesa. Staffing shortages impact program delivery, and recruitment remains difficult, particularly for trades, seasonal, and part-time roles.

Despite these constraints, PRPP maintains high public satisfaction and a dedicated workforce committed to community service. This Plan aims to match the scale and impact of the system with the resources required to sustain it.

Key Findings

The planning process confirmed that while Omaha's park system is deeply valued, several challenges must be addressed to help ensure its long-term sustainability and equity. Five key findings frame the need for action:

ORGANIZATIONAL CAPACITY IS STRETCHED

Staffing levels, particularly for maintenance, are insufficient to meet current and future needs. Over half of PRPP's workforce is part-time, creating issues with continuity, training, and service reliability.

RECREATION SERVICES ARE UNEVEN

While popular programs like camps and events fill quickly, participation is inconsistent across centers. Several facilities in historically underserved areas have low registration, and equity assessments show gaps in geographic coverage and scheduling.

ACCESS AND QUALITY VARY ACROSS OMAHA

Most residents live near a park, but park conditions vary widely by location. Underserved areas often lack investment, and many parks require upgrades to improve safety, usability, and ADA access.

TRAIL CONNECTIVITY IS INCOMPLETE

Residents ranked trail improvements as a top priority. Omaha's trail system is expansive, but significant connectivity gaps remain, particularly in neighborhoods where trails could support both recreation and transportation.

MAINTENANCE IS A SYSTEMWIDE CONCERN

Residents and partners consistently emphasized the need for improved care of athletic fields, trails, restrooms, and trees. Without added staffing and funding, PRPP will struggle to meet basic expectations for clean, safe, and functional spaces.

OMAHA OUTDOORS

Opportunities Await

The five key findings shaped the foundation of this Plan's long-term direction. In response, the Plan identifies five priorities to address operational gaps, improve access and equity, and help ensure a sustainable and responsive parks and recreation system for the next 20 years.

PRIORITY ONE

Build Organizational Capacity

Strengthen internal operations, workforce systems, and strategic partnerships to improve service delivery and support long-term sustainability.

- **GOAL 1:** Strengthen PRPP's Operational Capacity
- **GOAL 2:** Position PRPP for CAPRA Accreditation
- **GOAL 3:** Strengthen Community Collaboration
- **GOAL 4:** Invest in the Future of Park Maintenance
- **GOAL 5:** Improve Agency and Stakeholder Coordination for Trail Development

PRIORITY TWO

Secure Sustainable Funding

Pursue long-term funding mechanisms, such as a Park District Assessment or General Obligation Bonds, to address gaps in maintenance, staffing, and capital improvements.

- **GOAL 6:** Seek Funding for Park Maintenance and Capital Improvements
- **GOAL 7:** Pursue Funding for Priority Trail Segments

PRIORITY THREE

Expand Access to Underserved Areas

Ensure all residents can reach quality parks, trails, and facilities by addressing geographic gaps, infrastructure barriers, and underserved areas.

GOAL 8: Advance Equity in Park Access

GOAL 9: Implement Priority Trail Segments

PRIORITY FOUR

Take Care of Existing Assets

Prioritize maintenance, renovation, and reinvestment in existing parks and facilities to help ensure lasting quality and community pride.

GOAL 10: Standardize Maintenance Levels Across the Park System

GOAL 11: Improve Care and Capacity for Sports Facility Maintenance

GOAL 12: Strengthen Tree Maintenance and Urban Canopy Management

GOAL 13: Advance Maintenance, Management and Stewardship of the Trail System

PRIORITY FIVE

Expand Recreation Access and Participation

Respond to community demand by growing summer camps, adult fitness, nature-based programs, and family-friendly events while improving affordability, outreach, and geographic access.

GOAL 14: Increase Access to Recreational Programs

GOAL 15: Maximize Facility Use and Program Participation

Meeting these priorities will require a sustained investment in operations, maintenance, and capital improvements. Closing the current $5 million maintenance funding gap is essential to support preventive care, reduce deferred maintenance, and ensure long-term stewardship of parks, trails, and recreation facilities. In addition, securing an average annual increase of $2.6 million in capital funding, building on the current $6.4 million baseline, will help address historical inequities and advance community-driven improvements across the city.

SECTION 07

Pricing

Table 2 outlines our proposed costs for completing the City's requested scope of work. We propose a firm, fixed fee that includes all time, materials, and travel expenses. These costs were carefully developed based on:

- The detailed work plan narrative presented in our proposal
- Our staffing plan and resource allocation, ensuring the right number of team members with the appropriate expertise to effectively complete the defined tasks
- Our extensive experience managing projects of similar scope and scale

We welcome open conversation and are happy to discuss and negotiate pricing to best align with the City's needs and budget.

Table 2: Proposed Costs by Phase

PHASE	Costs	Hours
Phase 1: Project Initiation, Background Review, & Governance	$36,099	122
Phase 2: Community Engagement and Needs Assessment	$54,256	131
Phase 3: Staffing and Organization Assessment	$18,543	69
Phase 4: Financial Analysis, Cost Recovery, and Fee Policy	$22,366	83
Phase 5: Program and Service Portfolio Review	$15,433	57
Phase 6: Facilities, Asset Management, and Capital Needs	$46,995	105
Phase 7: Technology, Data, and Business Processes	$16,783	69
Phase 8: Equity, Partnerships, Risk, and Performance	$58,354	197
Phase 9: Implementation Roadmap and Council Presentations	$29,178	138
TOTAL	**$298,007**	**971**

Table 3 outlines our hourly rates for any work that is not included in the firm, fixed fee. Note, we will not charge hourly for any tasks included in the detailed work plan. Our team is flexible and will determine the final scope with the City during the project kickoff. Examples of reducing scope include fewer in-person meetings, while expanded scope may include translation or other value-added services.

Table 3: Hourly Rates

Principal	Engagement Manager	Project Manager	Manager	Staff Consultant	Project Coordinator	QA/Editorial
$350	$260	$240	$220	$220	$160	$140

SECTION 08

Additional Information

ATTACHMENT A – CONTRACT REQUIREMENTS ACKNOWLEDGEMENT

I, Charles Snow, declare as follows:

That I am the Principal (Title), of Berry, Dunn, McNeil & Parker, LLC (Company),

the Consultant making the attached proposal; and that I have read the sample Agreement for Services (Attachment B), including the insurance & indemnification requirements contained therein, and hereby state that I understand and am willing to abide by, and can meet the requirements of the contract, including insurance and indemnification requirements, without modification thereto, should my firm be selected for a project or projects based on my qualifications and proposal, assuming a mutually agreeable scope, fee, and schedule can be established.

I understand that the attached sample agreement is the current version used by the City of Gilroy. The standard agreement for Professional Services is currently being updated, and a new version may be used by the time the agreement resulting from this RFP is executed.

Signed this 6th day of February, 2026

By

Title: Charles Snow, Principal

Wage Theft Prevention Policy Statement

It is the policy of the City that all parties contracting with the City must comply with all applicable federal, state and local wage and hour laws including but not limited to the Federal Fair Labor Standards Act ("FLSA") and the California Labor Code. Suitable language regarding this requirement should be in all contracts.

1. **Disclosure**. As a part of any City solicitation for goods and/or services, including public works projects, contractor shall complete a "Bid Certification" ("Certification") that requires each potential contractor to disclose whether the contractor has been found by a court or final administrative action of an investigatory government agency to have violated federal, state, or local wage and hour laws within the past five (5) years from the date of the submitted bid or proposal.

2. **Disqualification.** The City MAY disqualify a potential contractor based on the disclosed violation.

3. **Contract Termination**. A current contractor found by a court or by final administrative action of an investigatory government agency to have violated applicable wage and hour laws, in the five (5) years prior to or during the term of the contract with the City, may be in material breach of its contract with the City if the violation is not fully disclosed and/or satisfied per City contract requirements. Such breach may serve as a basis for contract termination and/or any other remedies available under law, including a stipulated remediation plan.

I, Charles Snow, certify that (Business Name) Berry, Dunn, McNeil & Parker, LLC

☐ ***Has***

☑ ***Has Not***

been found by a court or by final administrative action of an investigatory government agency to have violated applicable wage and hour laws on more than one (1) occasion or has one (1) unpaid wage judgment.

For each disclosed violation, please provide a copy of (i) the court order and judgment and/or final administrative decision; and (ii) documents demonstrating either that the order/judgment has been satisfied, or if the order/judgment has not been fully satisfied, a written and signed description of potential contractor's efforts to date to satisfy the order/judgment. The completed Certification shall be submitted by the potential contractor to the City as a part of its bid or proposal.

Signature and Date: _____ February 6, 2026

APPENDIX A

Project Team Resumes

Teresa Jackson

AFO, CPO

Manager | Berry, Dunn, McNeil & Parker, LLC

PROPOSED PROJECT ROLE

Project Manager

RELEVANT EXPERIENCE

25+ years

CERTIFICATIONS AND MEMBERSHIPS

- Certified Aquatics Facility Operator (AFO)
- Certified Pool Operator (CPO)

EDUCATION

- Bachelor's Degree, Recreation Administration, California State University

Teresa Jackson is a manager in our Parks, Recreation and Libraries Practice. She has more than 25 years of experience supporting municipal parks and recreation and special events departments, including as recreation manager for the City of Sacramento, California; special events manager for the City of Boulder, Colorado; and community center operations manager for Estes Valley Recreation and Park District, Colorado. She is highly skilled in community outreach, facilities management, programming, public policy, and project management.

EXPERIENCE

Project Management: Teresa is a talented project manager with experience leading parks and recreation master plans, feasibility studies, and cost recovery analyses. She focuses on building strong relationships with staff, elected officials, partner organizations, and community members. She has collaborated with non-profits, community-based organizations, and neighboring municipalities to deliver activities and programs in small, mid-sized, and large communities.

Operations Analysis and Programming: Prior to joining BerryDunn, she led the development and implementation of the Estes Valley Recreation Center, a $27-million, 70,000-square-foot facility intended to house a multi-generational, multipurpose senior, aquatics, fitness, childcare, and library center.

Policy Innovation: Teresa excels at identifying opportunities for progressive programming and management. While serving the City of Sacramento, she led a review of the City's park code to allow for commercial uses in parks and community centers. She also managed a committee which established a city ordinance for special events.

Cost Recovery: Teresa has supported several cost recovery initiatives for parks and recreation departments and districts. She leverages her public-sector background, consulting experience, and knowledge of industry best practices to help clients understand the full costs of providing services, identify cost-saving measures, and develop cost recovery and fee structure strategies.

SELECT CLIENTS

City of Glendale, AZ

City of Omaha, NE

Town of Sahuarita, AZ

Town of Kingman, AZ

James Mickle

CPRP

Manager | Berry, Dunn, McNeil & Parker, LLC

PROPOSED PROJECT ROLE

Engagement Manager

RELEVANT EXPERIENCE

20+ years

CERTIFICATIONS AND MEMBERSHIPS

- Certified Parks and Recreation Professional (CPRP)
- National Recreation and Parks Association (NRPA)
- Member of Virginia Recreation, Parks, Society (VRPS)
- Board Member for Leadership Training Institute (LTI)
- 2017 President's Award from the Virginia Recreation and Parks Society issued by Senator Mark Warner

EDUCATION

- BA, Music Education, Norfolk State University
- Diversity, Equity, and Inclusion (eCornell)

James Mickle is a manager in our Parks, Recreation, Libraries Practice. He has over 20 years of experience in recreation operations, programming, and administration; volunteer board leadership; and community and employee engagement. Prior to joining BerryDunn, he served in positions of progressive responsibility, including bureau manager, division head, and facilities manager, for the City of Norfolk, Virginia's Recreation and Leisure Activities. He is committed to supporting underserved communities and holds a Certificate in Diversity, Equity, and Inclusion (DEI) from eCornell.

EXPERIENCE

Recreation Leadership: Prior to joining BerryDunn, James served the City of Norfolk, Virginia's Department Recreation and Leisure Activities. Over the course of his 23-year tenure, he held positions of progressive responsibility, including bureau manager, division head, and facilities manager. He was also the recreation supervisor for the Boys and Girls Clubs of Southeast Virginia for 12 years. He has extensive experience with facility management, youth and teen civic engagement, and active older adults comprehensive planning.

Industry Excellence: James is committed to industry excellence, as demonstrated by his CPRP certification. As a parks and recreation practitioner, he led Commission for Accreditation of Park and Recreation Agencies (CAPRA) accreditation and reaccreditation processes.

Project Management: James has documented strengths in leadership, team building, and maintaining relationships with a diverse range of stakeholders in dynamic, fast-paced settings. James has extensive project management and organizational change management experience, including managing the CAPRA accreditation process.

SELECT CLIENTS

City of Modesto, CA

City of Omaha, NE

PenMet Recreation District, WA

Stanislaus County, CA

Lakita Frazier

CPRP

Sr. Consultant | Berry, Dunn, McNeil & Parker, LLC

PROPOSED PROJECT ROLE

Subject Matter Expert

RELEVANT EXPERIENCE

20+ years

CERTIFICATIONS AND MEMBERSHIPS

- Certified Parks and Recreation Professional (CPRP)
- Member, Board of Directors, National Recreation and Parks Association (NRPA), 2020 to present
- Fellow, Committee Chair, American Academy of Parks and Recreation Administration, 2020 to present
- Membership Chair, Board of Directors, National Association of Park Foundations, Present
- Member, International City/County Management Association, 2018 to present

EDUCATION AND FACULTY POSITIONS

- Bachelor of Social Work, Norfolk State University
- Regent/Instructor, National Recreation and Parks Revenue Development and Management School, 2019 to Present

Lakita Frazier is a senior consultant in our Parks, Recreation, Libraries Practice. She has more than 20 years of parks and recreation leadership experience within county and municipal agencies, including as executive director for Richland County Recreation Commission, South Carolina, and as director of parks and recreation for the City of Suffolk, Virginia. She is an expert in developing high-performance teams, designing programs through community engagement and partnership, and managing public-sector organizations.

She also has experience in fiscal management, public/private sector alliances, and personnel management, along with proven success in special event planning and community service through solid communication and exceptional supervisory/interpersonal skills.

EXPERIENCE

Strategic Planning: Lakita specializes in helping parks and recreation agencies develop and implement strategic initiatives. She understands what is required to align long-range recreation program and facility development with anticipated community growth; how to develop capital improvement programs and related funding mechanisms; and how to analyze departmental programs, facilities, and services to measure effectiveness. As an instructor and co-chair of the NRPA Directors School, she is well-versed in industry best practices and emerging trends.

Cost Recovery: Lakita's public-sector parks and recreation background includes formulating and managing a $25 million budget. She is skilled in financial management and in developing partnerships and securing grants to support programs and services.

SELECT CLIENTS

City of Rock Springs, WY

City of Douglasville, GA

Redwood City, CA

Salt Lake City, UT

Nikki Ginger

MAEA, CPRE, SHRM-SCP

Manager | Berry, Dunn, McNeil & Parker, LLC

PROPOSED PROJECT ROLE

Subject Matter Expert

RELEVANT EXPERIENCE

13 years

CERTIFICATIONS AND MEMBERSHIPS

- Certified Parks and Recreation Executive (CPRE), National Recreation and Park Association (NRPA)
- NRPA Directors School, 2019
- Society of Human Resource Management – Senior Certified Professional (SHRM-SCP)
- NRPA
- Illinois Park and Recreation Association (IPRA)

EDUCATION

- MA, Educating Adults, DePaul University
- BA, Marketing and Psychology, DePaul University

Nikki Ginger is a manager in our Parks, Recreation, Libraries Practice. She has more than a decade of urban parks and recreation leadership experience, including nearly 13 years of experience with the Chicago Park District, where she helped to lead the District's CAPRA accreditation and earn National Gold Medal recognition. She has a diverse background in organizational and professional development, employee engagement, and staff training, and she excels at helping agencies engage and support their staff and communities.

EXPERIENCE

Staff Development: Nikki has a strong track record of motivating and inspiring staff. While serving the Chicago Park District, she worked with executive leadership to develop a workforce development team and structure. Then, as director of workforce development, Nikki supported a staff for than 3,000 from onboarding through retirement. She created a professional development program; directed a new employee interview process to increase employee retention and ensure alignment of the right candidate to the right position; and she led a staff engagement strategy built around online resources, regular communications, and social support tools.

Organizational Improvement: Nikki has a proven ability to revamp and reenergize parks and recreation programs. She shares related insights and thought leadership regularly at national and state conferences and through the nationally recognized NRPA Certified Parks and Recreation Professional (CPRP) training program. She has firsthand experience leading organizational improvement—for instance, during her time with the Chicago Park District, she launched "innovation sessions" to gather operational information and share opportunities for improvement with executive leadership.

Equity and Mentorship: While serving the Chicago Park District, Nikki oversaw the development of diversity, equity, and inclusion tools, including racial and resilience townhalls, and educational offerings. She formalized university relations , oversaw development of internship program, and helped negotiate educational discounts of up to 25% for Chicago Park District staff.

SELECT CLIENTS

City of Lake Elsinore, CA

City of Pflugerville, TX

Redwood City, CA

Vermont State Parks

Becky Dunlap

CPRP

Manager | Berry, Dunn, McNeil & Parker, LLC

PROPOSED PROJECT ROLE

Subject Matter Expert

RELEVANT EXPERIENCE

10+ years

CERTIFICATIONS AND MEMBERSHIPS

- Certified Parks and Recreation Professional (CPRP), National Recreation and Park Association (NRPA)

EDUCATION

- Bachelor's degree, Forest Resources, Natural Resources, and Tourism, University of Georgia

Becky Dunlap is a manager in our Parks, Recreation, Libraries Practice. She is a purpose-driven, strategy-focused CPRP who specializes in maximizing organizational efficiencies and opportunities for innovation. She takes a human-first approach to find solutions for the most pressing issues facing the field of parks and recreation, leveraging her broad experience in camp, sports, recreation facility, and park management.

EXPERIENCE

Industry Excellence: Becky is passionate about empowering the next generation of leaders in the field. She has published over 100 episodes of the Let's Talk Parks podcast, a show to inspire and share resources within the parks and recreation field. In addition, she has been published in Parks and Recreation Business Magazine and was recognized in the inaugural cohort of NRPA's 30 under 30 in 2021.

Community Engagement: Becky leads dynamic community engagement efforts. She specializes in leveraging technology to reach participants virtually, wherever they are and whenever is most convenient for them. She trains parks and recreation departments on how to promote continued engagement with their communities.

Public Sector Experience: Thanks to broad exposure to various public-sector roles, Becky brings a holistic perspective to each engagement. She understands how parks and recreation functions fit within larger local government structures and how to maximize potential for collaboration. She has worked for both a city and a county in roles such as facility operations coordinator, zoo camp director, marketing assistant, and customer service team member.

PUBLICATIONS

Georgia Parks and Recreation Association, 2019

Missouri Parks and Recreation Association, 2018

National Recreation and Parks Association, 2017, 2018

Colorado Parks and Recreation Association, 2016

Topics: Technology, Marketing, Productivity, Organizational Efficiencies

NRPA Marketing and Communications Certificate program, co-author, 2018

"Defining an Audience," Parks and Recreation Business, December 2017

Creator and Host of the Let's Talks Parks podcast, 2017 to Present

SELECT CLIENTS

Athens-Clarke County, GA

Phelan Pinon Hills Park and Recreation District, CA

San Luis Obispo County, CA

Dante Cavaz

Consultant | Berry, Dunn, McNeil & Parker, LLC

PROPOSED PROJECT ROLE

Subject Matter Expert

RELEVANT EXPERIENCE

2 years

EDUCATION

- BA, History, Brown University
- Outstanding Innovator Award – BerryDunn Innovation Council

Dante Cavaz is a consultant in our Parks, Recreation, and Libraries Practice. He excels in using geographic information system (GIS) analysis and data-driven methodologies to support parks and recreation agencies in their planning and strategic initiatives. With both technical expertise and a commitment to community engagement, Dante's work informs outcomes that cater to clients' diverse needs. His strong communication skills, ability to synthesize information sources, and fluency in Portuguese allow him to engage effectively with a variety of interested parties and contribute to projects promoting equity and community well-being.

EXPERIENCE

GIS Analysis: Leveraging his background in geospatial analysis, Dante uses the suite of ArcGIS software to make maps that assist decision-making and project outcomes. He also employs these spatial analysis skills to perform level of service (LOS) analysis for parks and recreation master planning projects, as well as for municipal comprehensive plans. Dante is also experienced in interactive mapping approaches, such as ArcGIS Story Maps, which allow him to create easily shareable digital maps based on geographic data.

Data Analysis and Visualization: Dante is skilled at extracting and analyzing large datasets. He leverages Power Query to efficiently organize quantitative data, which he then visualizes through charts, graphs, and maps. Dante uses data visualizations to help ensure clear communication and informed decision-making in parks and recreation initiatives. By analyzing complex data, Dante uncovers actionable insights that drive strategic planning projects.

Community Engagement and Facilitation: Dante has experience facilitating stakeholder interviews and focus groups, employing strong written and verbal communication skills to connect with others and glean key insights. Additionally, he has staffed many community pop-up events, engaging the public and learning about their priorities.

SELECT CLIENTS

City of Lake Elsinore, CA

City of Golden, CO

City of Fairfax, VA

Pima County, AZ

Jason Genck

MPA, CPRP

Sr. Manager, Practice Lead | Berry, Dunn, McNeil & Parker, LLC

PROPOSED PROJECT ROLE

Oversight

RELEVANT EXPERIENCE

30 years

CERTIFICATIONS AND MEMBERSHIPS

- Certified Park and Recreation Professional (CPRP), National Recreation and Park Association (NRPA)
- American Park and Recreation Society
- Colorado Park and Recreation Association
- American Academy for Park and Recreation Administration Extern Program
- Rho Phi Lambda National Honorary Fraternity
- Center for Creative Leadership Graduate

EDUCATION

- MPA, Arizona State University
- BA, University of St. Francis

Jason Genck is a senior manager in and leader of our Parks, Recreation, Libraries Practice. He has nearly 30 years of experience in the parks and recreation industry and is a sought-after thought leader in this space. He has led large, municipal parks and recreation departments and special districts. Prior to joining BerryDunn, Jason served as executive director of the City of Westminster, Colorado's Parks, Recreation, and Libraries Department—a three-time recipient of NRPA's Gold Medal Award.

EXPERIENCE

Parks and Recreation Leadership: As executive director of the City of Westminster's Parks, Recreation, and Libraries Department, Jason oversaw a staff of over 1,000 and served a community of approximately 115,000 residents. In this role, he helped guide the development of Westminster's billion-dollar downtown development plan, transit-oriented development plan, citywide COVID-19 social recovery efforts, a first-ever Inclusivity Board, and focus-area specific plans in marketing and outreach, libraries, open space, and cultural arts.

Strategic Planning: Jason has overseen the development of numerous strategic plans, ranging from citywide strategic plans to park and library strategic plans, arts and culture master plans, and more. He approaches each project with enthusiasm and optimism and is a sought-after innovation leader. His work is defined by his ability to help clients build upon what makes them unique and to engage stakeholders in creative, meaningful ways so that plans are developed with a broad base of support and truly reflect the needs of those impacted.

Organization Development: Jason has led multiple organization development and change management efforts as an executive director and as a consultant. He thoughtfully engages a broad array of stakeholders and emphasizes the importance of holistic wellbeing. His passion for organizational development extends into the leadership and mentorship he provides through speaking and teaching engagements.

SELECT CLIENTS

City of Avondale, AZ
City of Pflugerville, TX
City of Rock Springs, WY
Town of Gilbert, AZ

Lisa Paradis

MPA, CPRP

Principal | Berry, Dunn, McNeil & Parker, LLC

PROPOSED PROJECT ROLE

Oversight

RELEVANT EXPERIENCE

25+ years

CERTIFICATIONS AND MEMBERSHIPS

- Certified Park and Recreation Professional, National Recreation and Park Association
- American Academy of Park and Recreation Administration (AAPRA), 2018
- Massachusetts Recreation and Park Association Professional of the Year, 2017

EDUCATION

- MBA, University of Massachusetts, Boston
- Bachelor's degree, Political Science, University of Massachusetts, Amherst Harvard University, Cambridge, Massachusetts – Post-Graduate coursework, Public Administration, Organizational Management
- University of Massachusetts, Boston, Massachusetts – Post-Graduate coursework; Performance Measurement

Lisa Paradis is a principal in our Parks, Recreation, Libraries Practice. She has more than 25 years of experience as a park and recreation director, most recently for the Town of Brookline, Massachusetts. Lisa has helped many organizations and communities embrace systemic challenges through action-oriented strategic planning and financial and organizational management. Her approach involves creating and implementing strategic plans, cost recovery plans, feasibility studies, and organizational assessments. She understands the importance of a thoughtful, mission driven, community-centric, and implementable approach.

EXPERIENCE

Parks and Recreation Innovation: As a leader, mentor, and often provocateur, Lisa helps organizations and communities to achieve unimagined greatness by embracing systemic challenges through bold, action-oriented strategic planning, financial and organizational management. Lisa is steadfast in her pursuit to challenge professionals to think beyond the obvious and tackle challenges from a variety of perspectives to find the best possible solution for their communities.

Master and Strategic Planning: Lisa has led many master and strategic planning projects for parks and recreation departments and districts throughout the country. She is especially skilled at leading carefully assembled teams with hyper-specific expertise and qualifications needed by each client.

Parks and Recreation Cost Recovery: Lisa is an expert in cost recovery strategies for parks and recreation departments. She has led cost recovery efforts for clients including the City of Jefferson City, Missouri; City of Mobile, Alabama; and Town of Gilbert, Arizona. She works with agencies to understand the true costs of providing facilities and services, identify areas of greatest community impact, and develop creative alternative cost recovery strategies.

SELECT CLIENTS

Charleston County, NC

City of Tampa, FL

City of Fort Lauderdale, FL

City of Douglasville, GA

Randall Kopff, PLA, CLARB
With over 24 years of experience, Randall brings a dynamic blend of creativity, technical expertise, and strategic thinking to parks and recreation projects. His work spans every stage of the process—from site inventory and analysis to master planning, design development, and implementation. Known for his ability to transform public input into meaningful design solutions, Randall collaborates closely with clients to ensure each project reflects a shared vision. His skills in graphic presentations, 3-D modeling, project management, and technical drawings make him a versatile partner who can guide complex projects from concept to completion with clarity and precision.

Professional Credentials
Bachelor of Science, Landscape Architecture, The Ohio State University
Professional Landscape Architect in California #6633, Arizona, Nevada, and Oregon
The Council of Landscape Architectural Registration Boards, Member #40708
California Park and Recreation Society, Member

Relevant Project Experience
Ada County, ID Parks and Waterways Master Plan
Arizona State Parks Great Western Trail Master Plan
Casa Grande, AZ Parks and Recreation Master Plan
Chandler Parks, AZ Strategic Master Plan
Coconino County, AZ Fort Tuthill Regional Park Master Plan
Coconino County, AZ Parks and Recreation Master Plan Update
Colorado Springs, CO Parks and Recreation Master Plan Update
Dubuque, IA Parks and Recreation Master Plan
Glendale, AZ Parks and Recreation Master Plan
Goodyear, AZ Parks, Trails, Recreation, and Open Space Master Plan
Jurupa Area Recreation and Park District Master Plan
Lake Elsinore, CA Community Services Master Plan Update
Littleton, CO Parks Condition Assessment and Feasibility Study
Maricopa County, AZ Parks and Recreation Master Plan*
Modesto, CA Parks and Recreation Master Plan Update
Nevada State Parks Rafter 7 Regional Park Ranch Master Plan
Oakland, CA Park Condition Assessment
Palmdale, CA Parks and Recreation Master Plan
Phoenix, AZ Papago Park Regional Master Plan
Scottsdale, AZ Parks and Recreation Master Plan
Sedona, AZ Parks and Recreation Master Plan*
Town of Oro Valley Parks and Recreation Needs Assessment and Master Plan
Town of Prescott Valley Parks and Recreation Master Plan
Tucson, AZ Urban Bikeways Master Plan*

**Projects completed in similar roles at previous employer*

Marissa Pellegrini, PLA, ASLA, CLARB

Marissa is a landscape architect and urban designer with more than 13 years of professional experience in landscape architecture and planning. She possesses a deep portfolio of parks, recreation, and active transportation experience and she specializes in parks and recreation projects. She has managed, served as lead landscape architect, and led community outreach on a wide range of multidiscipline projects including park revitalization, waterway revitalization, multi-use paths, and neighborhood, community, and regional parks and recreation facilities. Marissa will use her strong professional knowledge and insight on systemwide parks and recreation planning, site-specific parks and active transportation planning, and consensus building to ensure this project reflects the City's vision and remains grounded in long-term sustainability.

Professional Credentials

Bachelor of Science, Landscape Architecture, Purdue University
Professional Landscape Architect in Arizona, Nevada, Utah, Washington
The Council of Landscape Architectural Registration Boards, Member
National Recreation and Parks Association, Member
Arizona Parks and Recreation Association, Member

Relevant Project Experience

City of Goodyear Parks, Trails, Recreation, and Open Space Master Plan
City of Casa Grande Parks and Recreation Master Plan
City of Chandler Parks Strategic Master Plan
City of Glendale Parks Conditions Assessment
Ada County Parks and Waterways Master Plan
City of Colorado Springs, CO Parks and Recreation Master Plan Update
City of Scottsdale Parks and Recreation Master Plan
Town of Oro Valley Parks and Recreation Needs Assessment and Master Plan
Town of Prescott Valley Parks and Recreation Master Plan
City of Goodyear Bullard Wash Bicycle and Pedestrian Path Master Plan
City of Avondale Agua Fria Wetlands Park Master Plan
City of Boise, ID Parks And Recreation Asset Condition Assessment Services
Arizona State Parks Great Western Trail Master Plan
City of Buckeye Skyline Park Feasibility Study
City of Casa Grande Carr McNatt Park Master Plan and Design
City of Goodyear Recreation Campus Master Plan and Design
City of Scottsdale WestWorld Master Plan
Town of Gilbert Regional Park Master Plan
City of Scottsdale Indian School Park Master Plan
Town of Gilbert Desert Sky Park Master Plan
City of Chandler Veterans Oasis Park Memorial

Ryan Murray
Director of Community Research
725 W. Frontier Lane, Olathe, Kansas 66061
Ryan.Murray@etcinstitute.com

About Ryan Murray

Mr. Murray has over 15 years of experience in survey administration, development, supervision, and research analysis. Throughout his tenure at ETC Institute Mr. Murray has had the pleasure of working on survey projects that cover a wide variety of topics, including parks and recreation, community planning, customer satisfaction, transportation, employee, library, comprehensive planning, parks and recreation master plans, water and utility, and business development. His current role as Assistant Director of Community Research includes quantitative and qualitative research, report analysis, benchmarking research, survey development, and the presentation of results. In his previous role he planned, coordinated, and supervised the administration of large-scale origin-destination transportation studies on multiple projects across the country. Over the past two years, Mr. Murray has worked as a Project Manager on projects for over 200 state, county, local, and private sector clients.

EDUCATION
B.S., Public Administration
University of Kansas

EXPERIENCE
15 Years

Below are examples of Mr. Murray's previous clients:

PROFESSIONAL EXPERIENCE

- Aberdeen, SD
- Auburn, AL
- Augusta, GA
- Austin, TX
- Blue Springs, MO
- Cape Coral, FL
- Cary, IL
- Chapel Hill, NC
- Dallas, TX
- Denver Regional Council of Governments, CO
- Des Moines Area Regional Transit Authority, IA
- Des Moines, IA
- Des Plaines, IL
- Doral, FL
- Durham, North Carolina Police Department
- EMBARK, OK
- Fauquier County Parks
- Flower Mound, TX
- Genessee County, IL
- Geneva, IL
- Grand Prairie, TX
- Houston Metro, TX
- Johnson County, KS
- Kansas City, KS
- Kansas City, MO
- Kennesaw, GA
- Kettering, OH
- Las Vegas, NV
- Miami, FL
- Miami Dade County, FL
- Missouri City, TX
- Oklahoma City, OK
- Olathe, KS
- Palm Beach, FL
- Pearland, TX
- Rowan County, NC
- Shoreline, WA
- St. Joseph, MO
- St. Louis, MO
- Tacoma, WA
- Tucson, AZ
- Valparaiso, IN
- Washougal, WA
- Wauwatosa, WI
- Webster Groves Library, MO
- Winnetka, IL
- Wyandotte County, KS
- Seminole County, FL
- Hallandale Beach, FL

“BerryDunn was able to help us by guiding us in a comprehensive approach to the completion of a plan. The result was a thorough 10-year Master Plan, with a clear Implementation plan and capital improvement strategy.””

Former Client: City of Owensboro, Kentucky

"BerryDunn" is the brand name under which Berry, Dunn, McNeil & Parker, LLC and BDMP Assurance, LLP, independently owned entities, provide professional services in an alternative practice structure in accordance with the AICPA Code of Professional Conduct. BDMP Assurance, LLP is a licensed CPA firm that provides attest services, and Berry, Dunn, McNeil & Parker, LLC, and its subsidiary entities provide tax, advisory, and consulting services.

The entities falling under the BerryDunn brand are independently owned and neither entity is liable for the services provided by the other entity. Our use of the terms "our firm" and "we" and "us" and terms of similar import denote the alternative practice structure of Berry, Dunn, McNeil & Parker, LLC and BDMP Assurance, LLP.

We will be utilizing generative AI programs where appropriate and permissible under client contracts and relevant laws. These AI tools are designed to support our team in various aspects of our work, including data analysis and project management. The integration of AI enables us to provide more accurate insights and streamline our processes, ultimately benefiting our clients through enhanced service delivery.

This proposal is the work of Berry, Dunn, McNeil & Parker, LLC and is in all respects subject to negotiation, agreement, and signing of specific contracts.

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berrydunn.com

PROPOSAL TO CONDUCT A RECREATION DIVISION ASSESSMENT

FEBRUARY 6, 2026

GILROY, CALIFORNIA

MATRIX
CONSULTING GROUP

Katty Alvarez, Finance Analyst
Kylie Katsuyoshi, Management Analyst
City of Gilroy
7351 Rosanna St.
Gilroy, CA 95020

Dear Ms. Alvarez and Katuyoshi:

Matrix Consulting Group, Ltd., a California corporation, is pleased to submit our proposal to conduct a Recreation Division Assessment for the City of Gilroy. Our proposal is based on our review of and understanding of the City's background, our experience working with the City, and our experience working with hundreds of clients across the country. Our qualifications stand apart from other firms for their:

- **Expansive Experience.** Over the last 24 years, our firm has conducted management and operational studies of more than 50 parks and recreation departments across the United States. We also have significant experience evaluating parks and recreation operations across more than 100 organization-wide studies and 200 public works assessments.
- **History with the City of Gilroy:** We recently completed an Organizational and Operational Review of the Public Works Department (and a police study a decade ago). The study aimed to promote a culture of continuous improvement and the efficient, effective use of staff.
- **Client Focus**: Matrix Consulting Group prides itself on developing recommendations tailored to each client's unique circumstances. We employ best practices assessments to identify opportunities for improvement and tailor recommendations to ensure they meet their needs and expectations.
- **Project Team Qualifications**: We propose a highly qualified consulting team that has worked together on many similar projects. Several team members have experience in local government parks and recreation. Our team includes members of Group4 Architecture, Research & Planning, Inc. (Group 4), who will provide expertise related to facilities, asset management, and capital needs

As the firm's President, I am authorized to represent the firm contractually and execute any service agreement. I confirm that Matrix Consulting Group and Group4 are free from any known or potential conflicts of interest, and we have reviewed and accepted the City's standard agreement. Jen Winter, a Vice President, will serve as the City's primary contact and can provide any additional information you may need during the evaluation period. We can be reached at the address and phone number below or via email at apennington@matrixcg.net and jwinter@matrixcg.net.

ALAN D. PENNINGTON
President, Matrix Consulting Group, Ltd.

MATRIX CONSULTING GROUP
1875 S Grant Street, Suite 960
San Mateo, CA 94402
650-858-0507

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EXECUTIVE SUMMARY

INTRODUCTION TO THE FIRMS

Matrix Consulting Group, Ltd., is pleased to submit this proposal to conduct a comprehensive Recreation Division Assessment for the City of Gilroy. This assessment will evaluate the Division's organizational structure, operations, staffing, programs, facilities, financial practices, and community engagement to provide actionable recommendations aligned with the National Recreation and Park Association (NRPA) standards and Commission for Accreditation of Park and Recreation Agencies (CAPRA) guidelines.

For this important project, we are partnering with Group 4 Architecture, Research, & Planning, Inc., as a subcontractor. Group 4 brings architectural and planning expertise to comprehensively assess facility condition, capital needs, and future infrastructure requirements.

Our approach combines rigorous data analysis, extensive community engagement, industry best practices, and our team's deep experience in parks and recreation consulting to deliver a strategic roadmap that positions the Recreation Division for long-term success and fiscal sustainability.

PROJECT TEAM EXPERIENCE

Our project team combines unparalleled expertise in parks and recreation consulting with specialized architectural and facilities planning capabilities:

Matrix Consulting Group brings over 24 years of experience, having conducted more than 50 dedicated parks and recreation studies and over 100 organization-wide assessments nationwide that included these functions. The firm has a proven history with the City of Gilroy, having recently completed an Organizational and Operational Review of the Public Works Department (as well as other studies in the past). Key team members include:

JEN WINTER, PE, VICE PRESIDENT

- Principal-in-Charge; 25+ years' experience; former Public Works Director

MEGAN YOUNG, CPRE, MANAGER

- Project Manager; NRPA Certified Park & Recreation Executive; 12+ years' experience

KHUSHBOO INGLE, VICE PRESIDENT

- Financial Analyst; 200+ cost of service studies completed

GROUP 4 ARCHITECTURE

- Certified small business and majority woman-owned California corporation; 50 years of experience

TASK PLAN AND SCHEDULE

Our comprehensive six-task approach is grounded in NRPA best management practices and CAPRA accreditation standards:

TASK	DESCRIPTION	SCHEDULE
Task 1	Project Initiation & Existing Conditions Assessment: Kickoff meetings, stakeholder interviews, document review, contracted services analysis, and facility inventory compilation.	Months 1-3
Task 2	Community Engagement & Needs Assessment: Bilingual community and intercept surveys, focus groups with diverse populations, stakeholder interviews, and targeted outreach to underserved communities.	Months 2-5
Task 3	Organizational & Operational Assessment: CAPRA compliance review across all 151 standards, operational analysis, staffing evaluation, facility condition assessment, program review with lifecycle analysis, and programmatic mini studies.	Months 3-6
Task 4	Financial Analysis, Cost Recovery & Planning: Fee structure review, cost-recovery model development, draft fee recommendations, and phased Capital Improvement Plan (0-5, 6-10, 10+ years).	Months 5-8
Task 5	Performance Measurement, SWOT & Benchmarking: Utilization and level-of-service analysis, KPI scorecard development, comparative benchmarking with California peers, and facilitated SWOT sessions.	Months 5-9
Task 6	Draft & Final Report: Comprehensive documentation including executive summary, CAPRA gap analysis, cost recovery policy, fee schedule, capital improvement priority plan, and implementation roadmap.	Months 9-10

PROPOSED FEE

The total fixed-fee investment for this comprehensive assessment is **$188,780**, inclusive of all professional fees and project expenses. This fee represents 936 total consultant hours across both firms and includes expenses.

WHY MATRIX CONSULTING AND GROUP 4

Our team offers the City of Gilroy distinct advantages:

Proven Track Record: Over 50 dedicated parks and recreation studies and 100+ organization-wide assessments, with specific recent Bay Area and Northern California experience including Milpitas, Brentwood, East Bay Regional Park District, San Carlos, and Vacaville.

Established Relationship: Our firm has a successful track record with the City of Gilroy, including an understanding of its culture and operational environment.

CAPRA Expertise: Our methodology incorporates all 151 CAPRA standards, providing a pathway to accreditation readiness.

Integrated Facilities Analysis: Group 4 brings architectural and planning expertise to comprehensively assess facility condition, capital needs, and future infrastructure requirements.

Client-Centered Approach: The project team will develop tailored recommendations that reflect Gilroy's unique community needs, demographics, and fiscal realities, and will provide ongoing support.

Matrix Consulting Group and Group 4 Architecture are committed to delivering a comprehensive Recreation Division Assessment that will serve as a strategic foundation for Gilroy's recreation services. Our data-driven methodology, extensive community engagement approach, and deep parks and recreation expertise will provide the City with actionable recommendations to enhance service delivery, achieve fiscal sustainability, and position the Recreation Division for long-term success. We look forward to the opportunity to partner with the City on this important initiative.

1: COMPANY BACKGROUND

This section includes a general overview of our firm and subconsultant, followed by information about the project team's organization and highlights of our experience.

INTRODUCTION TO MATRIX CONSULTING GROUP, LTD.

Matrix Consulting Group, Ltd. is a management consulting firm that provides quality analytical assistance to local and state governments. Our history and composition are summarized below:

- Our headquarters are in California, and we maintain regional offices in Charlotte (NC), Dallas Metroplex (TX), Edwardsville (IL), Irvine (CA), Portland (OR), the Tampa/Fort Myers (FL) area, and Nova Scotia, Canada.
- We comprise **32 full-time and 7 part-time management consultants** who specialize in analyzing local government functions across a wide range of operational areas.
- Since our founding **over 24 years ago**, we have worked with over 2,000 government agencies. Our firm has conducted more than 50 dedicated studies of parks and recreation operations and over 100 organization-wide studies, many of which included an assessment of recreation functions.
- Our mission is to deliver data-driven results that meet current needs and position our clients for future success. No other firm better understands how public agencies operate or how to help them thrive.

SERVICE AREAS

Our firm provides a full range of services to public-sector organizations, including organizational and management studies, performance audits, cost-of-service and user-fee studies, and targeted reviews of specific issues, such as recreation management. We have dedicated subject matter experts in each of these areas. The following table outlines the core services provided by our firm:

Administrative
- Compliance audits
- Human Resources studies
- Infrastructure assessments
- IT assessments
- Organizational assessments
- Process improvement
- Shared services analysis
- Staffing analysis
- Strategic planning

Citywide/Countywide/Statewide
- Customer service assessments
- Management analysis
- Organizational assessments
- Shared services analysis
- Staffing analysis
- Strategic planning

Community Development
- Customer service assessments
- Management analysis
- Organizational assessments
- Permit streamlining
- Permitting software decisions
- Staffing analysis

Corrections & Justice
- Feasibility studies
- Needs assessments
- Operational analysis
- Staffing analysis

Emergency Communications
- Feasibility studies
- Implementation assistance
- Staffing analysis

Financial Services
- Billable hours/rates
- Cost allocation plans
- Cost of service studies
- Fee studies

Fire & EMS
- Community risk assessments
- Contract compliance audits
- Management studies
- Scheduling/deployment
- Standards of cover studies
- Station location planning
- Staffing analysis
- Strategic/master plans

Fleet Management
- Asset management studies
- EV/sustainability plans
- Maintenance operations studies
- Replacement plans
- Utilization reviews
- Technology reviews

Higher Education
- Administrative services studies
- Campus security assessments
- Operational assessments
- Organizational assessments
- Staffing studies
- University/City contract studies

Law Enforcement
- Feasibility studies
- Community policing studies
- Management studies
- Overtime audits
- Patrol beat redesign
- Patrol scheduling/deployment
- Projections and growth impact
- Staffing analysis

Parks, Recreation and Libraries
- Customer service assessments
- Master and strategic planning
- Operational analysis
- Park condition assessments
- Staffing & program analysis

Public Works and Utilities
- Facilities studies
- Feasibility studies
- Needs assessments
- Operational analysis
- Preventive maintenance
- Staffing analysis
- Sustainability studies

Our consultants are subject-matter experts in their assigned areas and actively participate in industry-relevant professional associations to stay current with emerging trends and best practices.

EXPERIENCE

The following subsections provide summaries of our general experience in Parks and Recreation.

PARKS AND RECREATION DEDICATED STUDIES

Since 2003, we have conducted over 50 dedicated parks and recreation studies. Recent clients include the following.

Alexandria, VA
Athens-Clarke, GA
Ashland, OR
Baton Rouge, LA
Boise, ID
Brentwood, CA
Elmhurst Park District, IL
Grand Rapids, MI
Hercules, CA
Irvine, CA
Libertyville, IL
Milpitas, CA
Palmetto Bay, FL
Richland County, SC
Salt Lake City, UT
San Mateo, CA
Seattle, WA
Southlake, TX
Torrington, CT
Trumbull, CT
Vacaville, CA

In partnership with other firms, we have conducted Park Master Plans for the following communities in the last five years. In each of these studies, we were entirely responsible for evaluating the programming operations and determining staffing requirements.

Bellflower, CA	La Mesa, CA	Naples, FL (in progress)
Buena Vista, CO (in progress)	Menifee, CA	Moreno Valley, CA
Desert Hot Springs, CA	Milpitas, CA	Whittier Park, CA

RECREATION EVALUATIONS AS PART OF ORGANIZATION-WIDE STUDIES

Matrix Consulting Group has also conducted over 100 organization-wide studies across the country in the last decade, covering all municipal functions, including parks and recreation. Recent clients include:

Buda, TX	Orland Park, IL	Schertz, TX
Coventry, RI	Orting, WA	St. Cloud, FL
Half Moon Bay, CA	Portage, MI	Takoma Park, MD
Johnson County, KS	Rancho Mirage, CA	Tigard, OR
Joplin, MO	Rancho Palos Verdes, CA	Warrenville, IL
Monroe County, MI	Salt Lake County, UT	Wilsonville, OR

Details about any project listed above are available upon request, and additional information about our experience is available in *Section 2: Company & Project Team Qualifications* and *Section 3: References*.

SUBCONTRACTOR: GROUP 4 ARCHITECTURE, RESEARCH & PLANNING, INC.

Group 4 Architecture, Research + Planning, Inc. (Group 4) is a full-service architecture firm of talented professionals inspired to create places for communities to gather, imagine, and grow.

The firm can be summarized as follows:

- **Incorporated in 1976**, Group 4 is a certified small business and a majority woman-owned California corporation, with satellite offices in San Diego, Cleveland, Seattle, and Philadelphia.
- Their **37-person staff** includes planners, architects, interior designers, and technical and construction support specialists. Many are active in professional organizations such as the American Institute of Architects and the California Parks and Recreation Society.
- Most professional staff are LEED-accredited and signatories to AIA's 2030 Commitment.

EXPERIENCE

Group 4 has successfully managed pre-design, planning, conceptual design, renovation, and new construction projects for recreation and community agencies across California for decades. Exceeding clients' expectations is a key driver of their project success and of the fact that more than half of their business comes from repeat clients.

Group 4's park, community, and recreation projects reflect and respond to local community needs, incorporate national best practices, and promote operational sustainability. Highlights of their California projects are listed below.

PARKS, RECREATION, AND COMMUNITY FACILITY PLANNING PROJECTS

- East Palo Alto City Facilities Master Plan
- Fairfield PROS Master Plan
- Newark Civic Center Master Plan
- S. Pasadena Library + Community Center Plan
- S. San Francisco Civic & Community Facilities Plan
- Strawberry Recreation District Master Plan

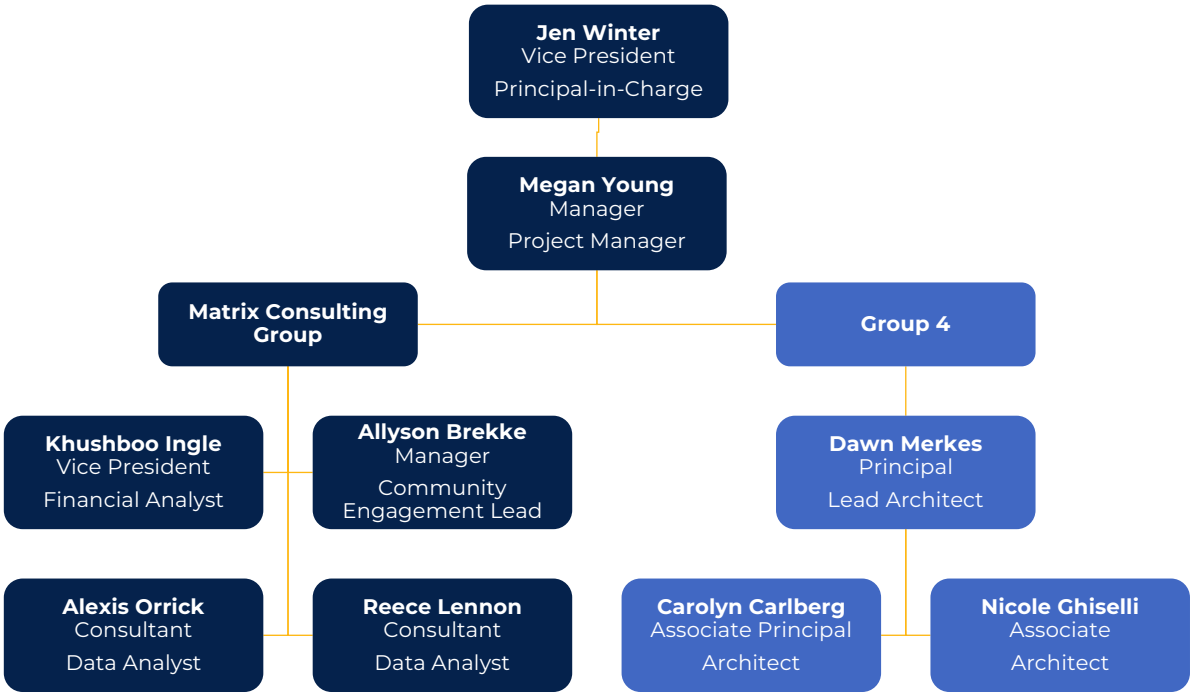
COMMUNITY + RECREATION ARCHITECTURE PROJECTS

- Burlingame Community Center
- Center at District56, Elk Grove
- San Jose Roosevelt Community Center
- Palo Alto Mitchell Park Library/Community Center
- San Bruno Recreation + Aquatic Center
- Boulevard Recreation Center, Dublin CA

Details about any project listed above are available upon request, and additional information about Group 4's experience can be found in *Section 2: Company & Project Team Qualifications* and *Section 3: References*.

ORGANIZATIONAL CHART

We have proposed a qualified and experienced project team, shown below. The team comprises senior staff and individuals from Matrix Consulting Group and Group 4 with extensive experience in conducting similar engagements.



Summaries, qualifications, and resumes are in the next section.

2: COMPANY & PROJECT TEAM QUALIFICATIONS

The following subsections provide more information about the proposed project team and qualifications.

SUMMARY OF QUALIFICATIONS

Summaries of qualifications are below. Resumes have been at the end of this section.

Team Member	Summary of Qualifications
Jen Winter **Vice President** Principal-in-Charge Matrix Consulting Group	Jen leads our Infrastructure Practice Area. She leads studies of parks and recreation agencies in addition to asset management, engineering, public works, real estate, right of way, utilities, and related services. Jen previously worked in local government as the Public Works Director for the City of Cedar Rapids. She has also served as the Regional Director for an engineering consulting firm.
Megan Young **Manager** Project Manager Matrix Consulting Group	Megan leads the firm's parks and recreation projects. Megan brings more than twelve years of experience working with local and regional governments. Prior to joining Matrix, Megan served as Assistant to the City Manager, Parks and Grounds Administrator, and Public Works Operation Analyst in various organizations in South Carolina. Megan is a Certified Park and Recreation Executive with NRPA.
Khushboo Ingle **Vice President** Financial Analyst Matrix Consulting Group	Khushboo manages cost allocation plan, user fee, development impact fee, and cost of service engagements. Her experience with the firm also includes participation in operational audit engagements focusing on organization, staffing, and internal processes. Khushboo has completed over 200 cost of service studies. Recent California clients which included recreation and park fees included Greater Vallejo Recreation District, Rim of the World Recreation District, South San Francisco, Dublin, San Ramon, Cordova Recreation Park District, and East Bay Regional Park District.
Allyson Brekke **Manager** Community Engagement Matrix Consulting Group	Allyson focuses on the Community Development Services practice area, with specialty knowledge in grant management and resource planning. Her experience includes strategic planning, capital plan updates, and community outreach facilitation and neighborhood planning. Allyson holds a certification in Town & Gown Relations and an AICP designation through the American Institute of Certified Planners.
Alexis Orrick **Consultant** Data Analyst Matrix Consulting Group	Alexis recently joined our firm as a data analyst in our General Consulting Practice. Alexis works primarily on data analysis and metrics for operational, organizational, and staffing assessments. Her relevant experience includes Reporting and Data Analysis, Management and Communication, and Mixed Methods Research.

Team Member	Summary of Qualifications
Reece Lennon **Consultant** Data Analyst Matrix Consulting Group	Reece recently joined the firm to provide detailed analysis and metrics for operational, organizational, staffing, and efficiency assessments. Relevant experience includes survey development and analysis; parks and recreation operations, staffing, and programming analysis; reporting and data analytics; and staff and asset modeling.
Dawn Merkes **Principal** Lead Architect Group 4	Dawn is a leader in planning, programming, and community engagement for public-sector community and recreation projects. An active proponent of user-based, values-driven planning, she has played a central role in shaping Group 4's pre-design approach—helping communities align vision, operations, and funding to support successful, generational investments in civic and recreational facilities.
Carolyn Carlberg **Associate Principal** Architect Group 4	Carolyn brings deep experience in community and recreation facility planning, programming, and design for public-sector projects across California. With a strong foundation in pre-design and inclusive engagement, Carolyn excels at helping agencies translate community values, site opportunities, and operational goals into clear, actionable programs.
Nicole Ghiselli **Associate** Architect Group 4	Nicole is proven to be one of Group 4's most-skilled planners, working with a variety of public clients and agencies on feasibility, site planning, and transit-oriented projects. In addition to her related project experience with SamTrans, Nicole is also one of our strongest sustainable-design champions, with recent experience on our Zero Net Energy Burlingame Community Center project.

Please refer to the resumes provided at the end of this section for additional information.

PRIOR RELEVANT EXPERIENCE

The following project summaries and charts illustrate comparable work.

MATRIX CONSULTING GROUP

MILPITAS, CA: PROGRAM AND FEE ASSESSMENT AND COST RECOVERY POLICY DEVELOPMENT (PARK MASTER PLAN UPDATE) & ORGANIZATIONAL ASSESSMENT

Matrix Consulting Group, in partnership with another firm, worked with the City of Milpitas to develop a new Parks and Recreation Master Plan. Matrix Consulting Group's main contributions and focus were staffing assessments, service delivery evaluations, fee assessments, and the development of a cost-recovery policy for City Council adoption. We developed a comprehensive assessment of fees and cost recovery for all functional areas of the Recreation and Community Services Department. Our recommended cost-recovery policy was adopted by the City Council without change. We recently completed a second study providing a comprehensive operational and staffing assessment of the

department. This study evaluated organizational structure, staffing levels, and internal processes to align staffing and practices with existing workload.

BRENTWOOD, CA: PARKS AND RECREATION & SENIOR CENTER OPERATIONS ASSESSMENT

We were retained by the City of Brentwood to conduct an operational and organizational assessment of the Parks and Recreation Department's Recreation Division, as well as a focused review of the operations and staffing of the Brentwood Senior Activities Center (BSAC). The study included community outreach to patrons of the BSAC and the community at large to assess customer satisfaction and gather recommendations for improvements. The assessment identified strengths in the City's recreational activities and opportunities to further connect with cultural segments of the community. This project also included a programming and staffing assessment to determine the levels of programs available to the City and through the, BSAC and if additional resources were necessary.

EAST BAY REGIONAL PARK DISTRICT, CA: RESOURCE ALLOCATION ASSESSMENT & COST RECOVERY PLAN

Matrix Consulting Group was retained by the East Bay Regional Park District to perform an assessment of the District's resource allocation and staffing methods. This assessment evaluated the operations, staffing, and organization of the Park Operations Department, which includes Park Maintenance, Maintenance & Skilled Trades, and Interpretive & Recreation Services. The project team also worked with District staff to determine the indirect costs associated with these activities, including administrative costs and public safety indirect support services. The results of this analysis were presented to the District, along with a cost-recovery policy document, to provide guidance on setting individual fees.

GROUP 4

BURLINGAME, CA: COMMUNITY CENTER

Group 4 developed a vision and master plan for improved recreation facilities, working with City staff, stakeholders, and the community to assess community needs for recreation services, explore building program concepts, and develop options for renovation/expansion as well as new construction. The community's preferred development strategy was to build a new community center to replace the former facility at its existing location in the park. Community space priorities included a large multipurpose program/performance space, dance and exercise/fitness spaces, and classrooms to accommodate a variety of activities. After a collaborative design process exploring building, site, and parking strategies, the City approved a two-story, 36,000-square-foot center anchoring Washington Park. The Center is complemented by surface and below-grade parking, abundant outdoor seating, and a new playground, multipurpose play court, and picnic area that connect the building to the rest of the park.

ELK GROVE, CA: DISTRICT56 MASTER PLAN

The City of Elk Grove commissioned Group 4 to lead a master planning process for a 56-acre undeveloped site at the intersection of Big Horn Boulevard and Civic Center Drive. Building on years of

prior work, including City Council review, community input, and identified facility needs, Group 4 worked with SWA Group to establish a master concept for a civic campus. The campus facilities include an aquatics center, a new public library, and a new community/senior center, clustered at the north end and designed to "dissipate" movement southward, allowing much of the site to remain open parkland. Implementation of the campus – renamed "District56" – is underway. The destination aquatics center, which includes competition and recreational pools, opened in the spring of 2019. Designed by Group 4, the "Center at District56" opened in the fall of 2019.

SAN BRUNO, CA: RECREATION & AQUATIC CENTER

The San Bruno Recreation and Aquatic Center (SBRAC) serves as a bridge between past and present, the natural landscape and city of San Bruno, and indoor and outdoor recreation. The SBRAC is the culmination of a fourteen-year community process originating from the deadly 2010 San Bruno gas line explosion. Following this tragedy, the City embarked on an extensive engagement process that culminated in the community's vision for a new recreation and aquatic facility to serve as an anchor for a revitalized City Park. Composed of three integrated community, recreation, and aquatics pavilions, the SBRAC creates a highly visible destination that integrates with both active and passive park landscapes.

Additional information about the projects above is available upon request and in *Section 3: References*.

STAFF CAPACITY

Matrix Consulting Group and Group 4 have the in-house resources to meet all aspects of this project. Jen Winter, a Vice President at Matrix Consulting Group, will oversee the project for this engagement.

She and the proposed project manager, Megan Young, have sufficient time and resources available to devote to this project to ensure proper oversight, including in the event of absences. Additionally, the members of the proposed project team have extensive professional experience as consultants and can continue working on projects even if a team member is absent. The following table lists the percentage of each team member's estimated time devoted to this project.

Team Member/Title	Project Role	Estimated % of Time
Jen Winter, Vice President Matrix Consulting Group	Principal-in-Charge	10%
Megan Young, Manager Matrix Consulting Group	Project Manager	60%
Khushboo Ingle, Vice President Matrix Consulting Group	Financial Analyst	10%
Allyson Brekke, Manager Matrix Consulting Group	Community Engagement	20%
Alexis Orrick, Consultant Matrix Consulting Group	Data Analyst	20%

Team Member/Title	Project Role	Estimated % of Time
Reece Lennon, Consultant Matrix Consulting Group	Data Analyst	15%
Dawn Merkes, Principal Group 4	Lead Architect	10%
Carolyn Carlberg, Associate Principal Group 4	Architect	30%
Nicole Ghiselli, Associate Group 4	Architect	60%

We manage our staff allocations through *Team Forecast*, a project management software that enables us to assess and quickly reallocate priorities. We have calculated the weekly hours required for each project team member for the duration of this project to confirm resource adequacy. In the unlikely event that a team member needs to be replaced, we will notify the City and propose options for your approval.

RESUMES

Resumes for all team members begin on the following page.

JEN WINTER, P.E.
Vice President

BIOGRAPHY:

Jen leads the Public Works and Infrastructure Practice Area. This includes studies related to parks and recreation as well as asset management, engineering, public works, real estate, right of way, utilities, and related services. Jen worked in local government as the Public Works Director for the City of Cedar Rapids. She has also served as the Regional Director for an engineering consulting firm. Her experience includes:

- Strategic planning, organizational and staffing assessments, data and workload analysis, needs assessments, public engagement, and best management practices evaluation and implementation.
- Accreditation
- Process studies, process evaluation and reengineering.
- Project management of complex, high-dollar projects.
- Extensive training in and experience implementing organizational health initiatives.

EXPERIENCE HIGHLIGHTS:

ROYAL OAK, MI: PUBLIC SERVICES AND RECREATION STUDY

Jen was the project manager on the City's comprehensive evaluation of the operations, staffing, and organization of the Department which includes recreation programming, a senior center, park maintenance, and operation and maintenance of program spaces including fields and a hockey arena.

VACAVILLE, CA: PARKS AND PUBLIC WORKS ASSESSMENTS

Jen was the project manager and analyst for several studies including reviews of their Parks and Public Works Departments. The studies recommended several organization and staffing changes and addressed use of technology, administrative systems, and asset management.

ROLE ON THIS ENGAGEMENT:

Principal in Charge

RELEVANT CLIENTS:

CA, Dublin
CA, Gilroy
CA, La Quinta
CA, Pismo Beach
CA, Santa Maria
CA, Stockton
CA, Vacaville
FL, Bradenton
MA, Lowell
MI, Rochester Hills
MI, Royal Oak
NC, Fayetteville
OR, Wilsonville
TX, Buda
WA, Gig Harbor
WA, Issaquah

YEARS OF EXPERIENCE:

25+

EDUCATION:

BS, Iowa State University, Civil Engineering

PROFESSIONAL ASSOCIATIONS:

American Public Works Association (APWA)

APWA Center for Sustainability (past Chair)

American Water Works Association (AWWA)

National Recreation and Park Association (NRPA)

MEGAN YOUNG, PMP, CPRE
Manager

BIOGRAPHY:

Megan leads the firm's parks and recreation projects. Megan brings more than twelve years of experience working with local and regional governments. Prior to joining Matrix, Megan served as Assistant to the City Manager, Parks and Grounds Administrator, and Public Works Operation Analyst in various organizations in South Carolina. Relevant experience includes:

- Park maintenance management, including maintenance standards, playground and amenity management, and levels of service.
- Parks and Recreation operations, staffing, and programming analysis.
- Organizational and staffing assessments, needs assessments, and best management practices evaluation and implementation.

EXPERIENCE HIGHLIGHTS:

ROCHESTER HILLS, MI: GROUNDSKEEPING SERVICES

Megan served as lead analyst on this project focusing on groundskeeping services analysis and recommendations for staffing and contracted services. The study also evaluated procurement practices and contract efficiencies.

LOWELL, MA: PUBLIC WORKS (STREETS & PARKS)

Megan served as the lead analyst on the City's comprehensive review of the Streets and Parks Divisions of the Public Works Department. The study evaluated the operations, staffing, and organization of the Divisions.

EAST BAY REGIONAL PARK DISTRICT, CA: RESOURCE ALLOCATION STUDY

Megan served as the lead analyst on the review of resource allocation and staffing methodology. The study evaluated the operations, staffing, and organization of the Park Operations Department, which includes Park Maintenance, Maintenance & Skilled Trades, and Interpretive & Recreation Services.

ROLE ON THIS ENGAGEMENT:

Project Manager

RELEVANT CLIENTS:

CA, Bellflower
CA, EBRPD
CA, San Carlos
CA, Vacaville
FL, Palmetto Bay
MA, Lowell
MI, Rochester Hills
MI, Royal Oak
OR, Wilsonville
TX, Buda

YEARS OF EXPERIENCE:

12+

EDUCATION:

BA, Intercultural Studies for Business and Spanish, Wofford College

MPA, Clemson University

TRAINING & CERTIFICATIONS:

Project Management Professional: 2020, 2023, Project Management Institute

Certified Park and Recreation Executive: 2025, National Recreation and Parks Association

Certified Park and Recreation Professional: 2020, 2023, National Recreation and Parks Association

Certified Landscape Professional: 2020, Clemson University

KHUSHBOO INGLE

Vice President

BIOGRAPHY:

Khushboo Ingle is a Vice President who manages cost allocation plan, user fee, development impact fee, and cost of service engagements. Her experience with the firm also includes participation in operational audit engagements focusing on reviewing organizational, staffing, and internal processes to enhance services. Khushboo's relevant experience include:

- Analysis focuses on verifying and reviewing cost of service assumptions and ensuring compliance with best practices.
- Expertise also includes impact fee studies and development fee-studies.

EXPERIENCE HIGHLIGHTS:

EAST BAY REGIONAL PARK DISTRICT, CA: COST ALLOCATION PLAN AND FEE STUDY

Khushboo served as the Project Manager on this engagement, which was developing a Full Cost Plan, OMB Compliant Cost Plan, and conducting a district-wide fee study.

- Ensuring compliance with OMB guidelines for allocation metrics.
- Streamlining fee structures
- Capturing the cost of Use of Space / Market Rates.

RIM OF THE WORLD RECREATION DISTRICT, CA: FEE STUDY

Khushboo served as the project manager for conducting a district-wide fee study:

- Review of rental structures / rates.
- Incorporating use of space, amenities, and market rates.
- Calculation of district-sponsored events and activities.

ROLE ON THIS ENGAGEMENT:

Financial Analyst

RELEVANT CA CLIENTS:

Burlingame
Citrus Heights
Cupertino
Dixon
Elk Grove
Fairfield
Humboldt County
Livermore
Long Beach
Manhattan Beach
Orange
Pacific Grove
Redwood City
San Bernardino County
San Pablo
San Mateo
Santa Clara
Santa Clara County
Sonoma County
South San Francisco
Stanislaus County
Sunnyvale
Vacaville

YEARS OF EXPERIENCE: 15

EDUCATION:

B.A., University of California – San Diego, International Economics

M.A., University of California – San Diego, International Affairs

PROFESSIONAL ASSOCIATION:

California Society of Municipal Finance Officers

Revenue Enhancement Best Practices

ALLYSON BREKKE, AICP

Manager

BIOGRAPHY:

Allyson Brekke focuses on the Community Development Services practice area, with specialty knowledge in city-county management, historic preservation, grant management and town and gown relations. Prior to joining the firm, Allyson served as Deputy Planning Director for Gallatin County, MT where she monitored parkland requirements with subdivision development, and the Director of Community and Economic Development for Port Angeles, WA where she helped City Council to adopt the City's two-year strategic plan. Her experience includes:

- Strategic planning, capital plan updates, budget/work plan development, development review efficiencies and analysis.
- Long-range planning efforts for comprehensive plans, housing needs, historic district management and environmental protection.
- Organization and operation development and coordination of intergovernmental policies, programs, and operations.
- Community outreach facilitation and neighborhood planning.

EXPERIENCE HIGHLIGHTS:

REDONDO BEACH, CA: EVALUATION OF THE COMMUNITY DEVELOPMENT DEPARTMENT

Allyson served as the senior analyst on this evaluation of the City's Community Development Department, which focused on creating more predictable entitlement and permitting processes, aligning staffing resources and workload, and transitioning to new development review software, online application submittal, and digital plan review.

JEFFERSON CITY, MO: CITY ORGANIZATIONAL REVIEW AND STAFFING ASSESSMENT

Allyson served as a senior analyst on this study and focused her operational and staffing analysis on the Planning and Protective Services Department to help identify different strategies in grant administration and staff needs for regional community planning efforts.

ROLE ON THIS ENGAGEMENT:

Planning and permitting analyst.

RELEVANT CLIENTS:

CA, El Monte
CA, Escondido
CA, Piedmont
CA, Redondo Beach
IL, Champaign
MA, Boston
MI, Royal Oak
MO, Jefferson City
NC, Raleigh
NJ, Paterson
SC, Columbia
TX, Prosper
VT, Burlington

YEARS OF EXPERIENCE:

21

EDUCATION:

MCP, University of Pennsylvania, City Planning

BA, University of Mary Washington, Historic Preservation

PROFESSIONAL ASSOCIATION:

American Institute of Certified Planners (AICP)

Graduate of Northwest Women's Leadership Academy

Study Certificate in Town and Gown Relations

ALEXIS ORRICK
Consultant

Alexis Orrick recently joined our firm as a data analyst in our General Consulting Practice. Alexis works primarily on data analysis and metrics for operational, organizational, and staffing assessments. Her relevant experience include:

- Reporting and Data Analysis
- Management and Communication
- Mixed Methods Research

EXPERIENCE HIGHLIGHTS:

EAST BAY REGIONAL PARK DISTRICT, CA: RESOURCE ALLOCATION STUDY

Alexis served as an analyst on the review of resource allocation and staffing methodology. The study evaluated the operations, staffing, and organization of the Park Operations Department, which includes Park Maintenance, Maintenance & Skilled Trades, and Interpretive & Recreation Services.

ESCONDIDO, CA: DOCUMENTATION DEVELOPMENT

Alexis is leading the documentation development component of our implementation assistance. She is collaborating with staff to develop standard operating procedures, application checklist (internal and customer facing), and assisting with the creation of performance monitoring dashboards.

OSHKOSH, WI: PROCESS ANALYST

Alexis was responsible to documenting current development review, permitting, and inspection processes and identified chokepoints in current processes and where technology could be integrated to improve efficiencies. Current “as is” and “to Be” process diagrams were created to support customer service and implementation efforts.

ROLE ON THIS ENGAGEMENT:

Data Analyst

RELEVANT CLIENTS:

CA, EBRPD
CA, Escondido
CA, Milpitas
CA, Palo Alto
CA, San Mateo
CA, West Sacramento
MI, Rochester Hills
OR, Wilsonville
WA, Anacortes
WI, Oshkosh

YEARS OF EXPERIENCE:
6

EDUCATION:

MSc Applied Social Data Science – London School of Economics and Political Science

BA Political Science: Comparative Politics – University of California, San Diego

REECE D. LENNON
Data and Management Analyst

BIOGRAPHY:

Reece recently joined the firm to provide detailed analysis and metrics for operational, organizational, staffing, and efficiency assessments. Relevant experience includes:

- Survey development and analysis.
- Parks and Recreation operations, staffing, and programming analysis.
- Reporting and data analytics.
- Staff and asset modeling.

EXPERIENCE HIGHLIGHTS:

UNIVERSITY OF OKLAHOMA, INSTITUTE FOR ENVIRONMENTAL GENOMICS: GRADUATE RESEARCH ASSISTANT

- Assisted in data collection and analysis for ongoing projects.
- Designed and completed lab experiments for thesis research, analyzed data and created figures to visualize the results.
- Presented findings to my colleagues, department and committee members.

UNIVERSITY OF OKLAHOMA, DEPARTMENT OF MICROBIOLOGY AND PLANT BIOLOGY: GRADUATE TEACHING ASSISTANT

- Organized lab materials, taught course information, and kept records of student progress.

CLEMSON UNIVERSITY AGRICULTURAL SERVICES LABORATORY: STUDENT LABORATORY TECHNICIAN

- Coordinated incoming samples, record keeping and sample disposal.
- Prepared agricultural samples for chemical and biological testing.

ROLE ON THIS ENGAGEMENT:

Data Analyst

RELEVANT CLIENTS:

CA, West Sacramento
CA, San Mateo
NC, Fayetteville
OH, Cincinnati
WA, Gig Harbor
TX, Denton
ON, Hamilton
FL, Naples
SC, Greenville
CO, Buena Vista
GA, Chamblee
CA, Santa Ynez
NY, Dutchess

YEARS OF EXPERIENCE:

6

EDUCATION:

MS, Microbiology, University of Oklahoma

BS, Microbiology, Clemson University

AREAS OF EXPERIENCE:

Data Analysis, Management, and Visualization

Statistical Analysis

DAWN MERKES
Principal
Group 4 Architects

BIOGRAPHY:

Dawn Merkes is a leader in planning, programming, and community engagement for public-sector community and recreation projects.

An active proponent of user-based, values-driven planning, she has played a central role in shaping Group 4's pre-design approach—helping communities align vision, operations, and funding to support successful, generational investments in civic and recreational facilities.

Known for her clear communication and facilitation skills, Dawn frequently presents on planning and design topics at the California Parks & Recreation Society (CPRS).

EXPERIENCE HIGHLIGHTS:

Dawn has led engagement and programming efforts for many of Group 4's most significant projects, including:

- Burlingame Community Center
- Elk Grove Civic Center South Campus Master Plan
- Fremont Community Center
- Foster City Recreation Center
- Palo Alto Mitchell Park Master Plan
- Palo Alto Mitchell Park Library + Community Center
- San Bruno Recreation and Aquatic Center
- Terra Linda Park and Community Center Master Plan
- Union City Holly Community Center Feasibility Study
- West Sacramento Community Center

She has also guided the development of firmwide tools and resources for engagement, assessment, and facilities planning that empower informed, transparent decision-making.

ROLE ON THIS ENGAGEMENT:

Lead Architect

EDUCATION:

Bachelor of Architecture, Montana St. University, Bozeman

Registered Architect, State of California, C24206

LEED Accredited Professional

CAROLYN CARLBERG
Associate Principal
Group 4 Architects

BIOGRAPHY:

Carolyn Carlberg brings deep experience in community and recreation facility planning, programming, and design for public-sector projects across California. With a strong foundation in pre-design and inclusive engagement, Carolyn excels at helping agencies translate community values, site opportunities, and operational goals into clear, actionable programs. Her collaborative facilitation style, creativity, and attention to detail support thoughtful planning processes that lay the groundwork for successful, long-term investments in parks and community facilities.

EXPERIENCE HIGHLIGHTS:

Carolyn has recently led the planning, programming, and bridging documents for the Gonzales Community Center and is serving as Project Manager for the Cathedral City Community/Rec Center Feasibility Study. She has played a key role in projects including:

- Alameda County Library Family Space Master Plan
- Burlingame Community Center
- The Boulevard Aquatic Center, Dublin
- Cosumnes Community Services District Elk Grove Park Master Plan
- Cincinnati-Hamilton County Public Library Facilities Master Plan
- Dayton Metro Library System-wide Design Services
- Elk Grove Library Adaptive Reuse
- Fremont Community Center
- Granada Community Center
- Millbrae Community Center

Her ability to align vision, scope, and implementation ensures projects move forward with clarity, efficiency, and community support.

ROLE ON THIS ENGAGEMENT:

Architect

EDUCATION:

Bachelor of Science in Architecture, Washington University

Registered Architect, State of California, C36332

LEED Accredited Professional

NICOLE GHISELLI
Associate
Group 4 Architects

BIOGRAPHY:

Nicole Ghiselli is proven to be one of Group 4's most-skilled planners, working with a variety of public clients and agencies on feasibility, site planning, and transit-oriented projects. In addition to her related project experience with SamTrans, Nicole is also one of our strongest sustainable-design champions, with recent experience on our Zero Net Energy Burlingame Community Center project.

EXPERIENCE HIGHLIGHTS:

She has played a key role in projects including:

- Burlingame Community Center
- College of Marin Center for Student Success
- Millbrae Community Center
- Moraga Parks, Recreation, & Open Space Master Plan
- SamTrans North Base Bldg. 200 Programming
- SamTrans North Base Bldg. 200 Final Study
- San Diego Public Library Master Plan
- San Jose Corp Yard Feasibility Study
- San Mateo Recreation Facilities Master Plan
- Santa Cruz Downtown Library Feasibility Study
- Santa Cruz Farmers Market Study
- Union City Corporation Yard Master Plan
- Yorba Linda Library + Cultural Arts Center

ROLE ON THIS ENGAGEMENT:

Architect

EDUCATION:

Bachelor of Architecture, University of Oregon

Registered Architect, State of California, C38553

LEED Accredited Professional

3: REFERENCES

The following are summaries and contact details of clients who can attest to the quality of our work.

MATRIX CONSULTING GROUP

East Bay Regional Park District

Cost Allocation Plan & User Fee Study

Resource Allocation Assessment

Ruby Tumber
Management Analyst
P: (510) 544-2565
rtumber@ebparks.org

Matrix Consulting Group developed a cost allocation plan and conducted a user fee study for the **East Bay Regional Parks and Recreation District**. The scope of this project was all District-wide parks and recreation fees assessed – including camping, boats, fishing, rental of facilities, etc.

The project team worked with District staff to determine the indirect costs associated with these activities including both administrative costs, as well as public safety indirect support services. The results of this analysis were presented to the District along with a cost recovery policy document to provide guidance on setting individual fees.

Matrix also conducted a comprehensive assessment of the Operations Division of the District that included evaluating all operational practices, organizational structures, staffing levels, and workloads. This assessment was focused on identifying modifications necessary for further evaluation to develop a long-range strategic business plan to enhance operations and align staffing and operational practices with service demands and workload. Additionally, the effort was designed to ensure a sustainable approach to service delivery for the future.

Our efforts included extensive interviewing, focus groups, employee surveys and data analysis. The focus groups were conducted as a SWOT analysis to provide critical input for the development of recommendations. Key recommendations, which are being addressed during Phase 2 of the engagement include the implementation of updated service levels, establishing maintenance standards, staffing reconfigurations and allocation, and operational changes to increase efficiency and effectiveness.

Parks and Recreation Department and Senior Center Operations Assessment

Tim Ogden
City Manager
150 City Park Way
Brentwood, CA 94513
(P): (925) 516-5440
togden@brentwoodca.gov

Matrix Consulting Group was retained by the **City of Brentwood** to conduct an operational and organizational assessment of the Parks and Recreation Department's Recreation Division as well as a focused review of the operations and staffing of the Brentwood Senior Activities Center (BSAC). The study included community outreach to patrons of the BSAC as well as the community at large to determine customer satisfaction and recommendations for improvements. The assessment identified strengths of the recreational activities of the City as well as opportunities for improvement to connect further with cultural segments of the community. This project also included a programming and staffing assessment to determine levels of programs available to the City and through the BSAC and if additional resources were necessary.

Key recommendations included guidance on development of policies and procedures and a strategic direction for the department, and staff training and retention needs for long-term success. Additionally, the project team recommended that a Recreation Program Plan be developed, and marketing tools should be enhanced to provide for multiple cultural and age differences in the community overall.

Program and Fee Assessment and Cost Recovery Policy Development (Park Master Plan Update)

Organizational Assessment

Renee Lorentzen,
Director, Recreation and Community Services

455 East Calaveras Blvd.
Milpitas, CA 95035
(P): (408) 585-3409
rlorentzen@ci.milpitas.ca.gov

Matrix Consulting Group, in partnership with another firm, worked with the **City of Milpitas** on the development of a new Parks and Recreation Master Plan. Matrix Consulting Group's main contribution and focus was on staffing assessments, service delivery evaluation, fee assessment, and development of a cost recovery policy for City Council adoption.

We developed a comprehensive assessment of fees and cost recovery for all functional areas of the Recreation and Community Services Department. Our recommended cost recovery policy was adopted without change by the City Council. A key component of the cost recovery policy was ensuring that low-income and marginalized individuals retained access to services. To that end, funds were allocated to a scholarship fund to provide subsidies to qualified individuals.

Our fee assessment has provided direction to staff and the City Council in adjusting fees to be more competitive with the local market and the surrounding communities while taking into consideration the unique needs of residents and ensuring equity for all populations within the community.

We recently completed a second study providing a comprehensive operational and staffing assessment of the department. This study evaluated organizational structure, staffing levels and internal processes to align staffing and practices with existing workload.

Additional information and/or references are available upon request.

CLIENT LISTS

The following are lists of relevant projects completed by our firms.

MATRIX CONSULTING GROUP

Recent Parks and Recreation clients include:

Year	Client/Location	Year	Client/Location
2025	Buda, TX	2019	Tigard, OR
2025	Cincinnati, OH	2019	Warrenville, IL
2025	Lowell, MA	2018	Libertyville, IL
2025	Wilsonville, OR	2017	Westford, MA
2025	East Bay Regional Park District, CA	2017	Orting, WA
2025	Naples, FL	2016	Athens-Clark County, GA
2025	Tukwila, WA	2016	Richland County, SC
2025	Union City PMP	2016	San Mateo, CA
2024	Joplin, MO	2016	Torrington, CT
2024	Long Beach, CA	2016	Waxhaw, NC
2024	San Carlos, CA	2015	Ashland, OR
2023	Bellflower, CA	2015	Seattle, WA
2023	Palmetto Bay, FL	2015	Trumbull, CT
2023	East Baton Rouge, LA	2014	Elmhurst Park, IL
2023	Brentwood, CA	2014	Salt Lake City, UT
2023	Vacaville, CA	2013	Irvine, CA
2022	Milpitas, CA	2012	San Bernardino, CA
2022	Coventry, RI	2012	Half Moon Bay, CA
2022	Dunedin, FL	2012	Rancho Mirage, CA
2022	Hercules, CA	2012	Rancho Palos Verdes, CA
2021	Takoma Park, MD	2011	Grand Rapids, MI
2020	Portage, MI	2011	Orland Park, IL
2019	Boise, ID	2010	Johnson County, KS
2019	Schertz, TX	2009	Boise, ID
2019	St. Cloud, FL	2008	Monroe County, MI

These are examples of our experience. For a full list of recent projects (2020-2025/current), see here. Details about any project are available upon request.

GROUP 4

Members of the Group 4 team have completed the following projects:

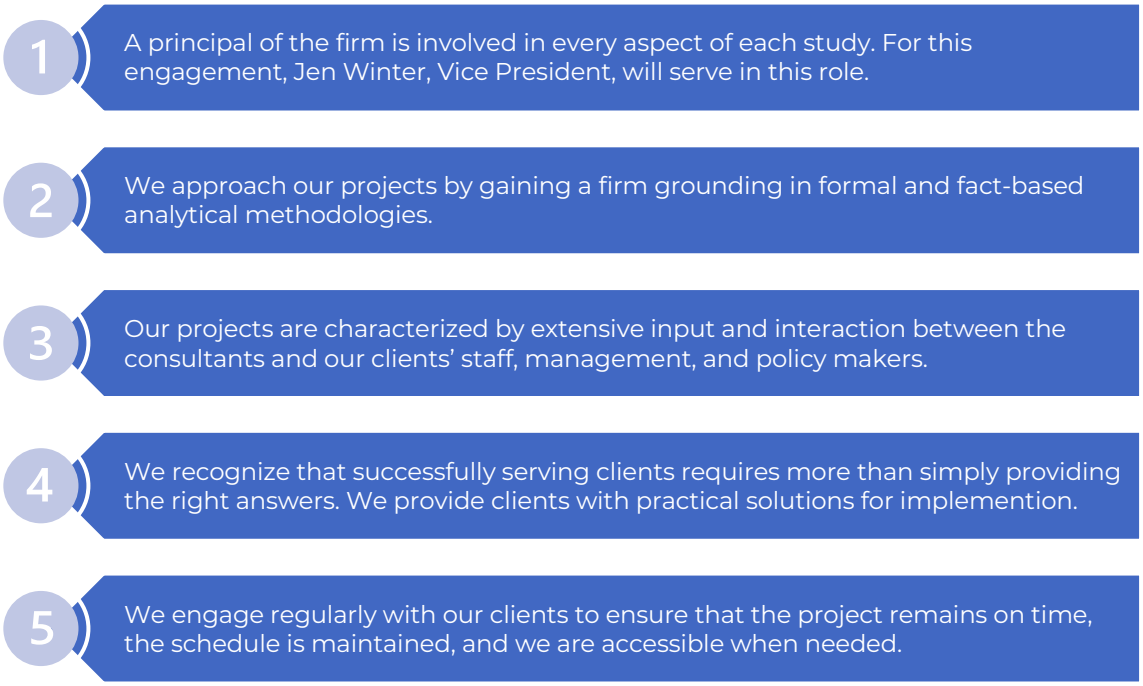
- Alameda Co. Library Family Space Master Plan
- Belmont Community Center Master Plan
- Gonzales Community Center
- Granada Community Center
- Millbrae Community Center

- Burlingame Community Center
- The Boulevard Aquatic Center, Dublin
- Cathedral City Rec Center Feasibility Study
- Cosumnes Community Services District Elk Grove Park Master Plan
- Cincinnati-Hamilton County Public Library Facilities Master Plan
- Dayton Metro Library System Design Services
- Elk Grove Library Adaptive Reuse
- Foster City Rec Center
- Fremont Community Center
- Millbrae Community Center
- Palo Alto Library + Community Center
- Placentia Senior Community Center
- San Bruno Recreation & Aquatic Center
- Santa Cruz Library Feasibility Study
- Santa Cruz Farmers Market Study
- Santa Rosa Hearn Community Hub Bridging Documents
- Tracy Aquatic Center
- Union City Corporation Yard Master Plan
- Yorba Linda Library + Cultural Arts Center
- West Sacramento Community Center

Additional information about any project listed above is available upon request, and a project portfolio is available online at https://g4arch.net/portfolio/.

4: PROPOSED METHODOLOGY

The following subsections describe our general project approach and tasks to complete the requested scope of services. Our consulting philosophy is to provide a customized approach to each client's unique issues. It needs to be in a fact-based manner, utilizing our proven methodologies and analytical techniques, as summarized in the following graphic:



Our place in the government consulting industry is based on our experience and tailored approach to meeting each client's unique needs.

PROJECT MANAGEMENT AND CLIENT INTERACTION

We strongly believe in managing each consulting engagement effectively. As a result, we utilize formal project management techniques in our studies. These techniques include:

- Project tasks, associated deliverables, timelines, and budgets are clearly defined and assigned to each team member.
- Project team and client expectations and results are managed by developing and using formal project schedules and reporting tools, and conducting frequent client review meetings to review interim deliverables.
- Quality control measures include a project executive review of all interim and final products before delivery to the client.
- Bi-weekly (or alternative schedule) meetings with the project manager and/or steering committee.

We recommend creating a small project committee to work with us on this project. This committee would review our findings, conclusions, and recommendations by reviewing each interim deliverable. We would conduct regular progress meetings to report on progress to date, problems or obstacles encountered, and planned project activities.

PROPOSED TASK PLAN

The following task plan outlines the steps the project team will take to conduct the comprehensive Recreation Division Assessment. Our approach is grounded in the National Recreation and Park Association's (NRPA) Commission for Accreditation of Park and Recreation Agencies (CAPRA) standards and industry best practices.

Throughout the task plan, references to CAPRA alignment and relevant standards for each task or subtask are provided. These standards will guide all associated data collection, analysis, and reporting. An example is below:

> *CAPRA Alignment - Standard 1.1: Agency Authority, Role, & Responsibility; Standard 1.4: Administrative Policies & Procedures; Standard 2.1: Planning*

TASK 1: PROJECT INITIATION & EXISTING CONDITIONS ASSESSMENT

To conduct this assessment effectively, we need a solid understanding of the Division's current services, service levels, and resource allocations. The following subtasks will be used to establish a baseline understanding of current operations and to define the project's goals and expectations.

KICKOFF AND PROJECT PLAN

The project team will meet with City leadership, Recreation staff, and other stakeholders to understand goals and expectations. Together, the teams will confirm goals, success metrics, project schedule, and communication plan. A project plan will be drafted and shared with all stakeholders to document goals, metrics, the schedule, and change management.

INTERNAL INTERVIEWS

- The project team will conduct interviews with the Administrative Department Director and the Recreation Division leadership to understand the key issues facing the Division and any planned near-term changes we should consider in our evaluation that may affect services, service delivery, or staffing.
- The team will also conduct individual interviews with staff to understand the current organizational structure, service levels, staffing models, and operational practices and constraints.

CONTRACTED SERVICE REVIEW

- The project team will gather and review information regarding current contracted services provided to the Division to identify potential for more efficient or cost-effective alternative service delivery.

- Additional items for review include current memoranda of understanding (MOUs), joint use agreements (JUAs), and service agreements to assess value.

DOCUMENT REVIEW

- Review available information, including mission statements, budgets, workload data, job descriptions, work rules, personnel rules, and other documents that offer insight into the Recreation Division's service delivery strategies, regulatory constraints, and operational practices.
- Review staffing and responsibilities of personnel in each function. Record trends in staffing over the past several years.
- Document the major software and technologies used throughout the Department and assess current utilization levels.

FACILITY INVENTORY AND BASELINE DATA

- Compile an inventory of indoor recreation facilities operated, programmed, or supported by the Recreation Division, including shared-use and partner facilities.
- Review available documentation, including facility age, size, building systems, maintenance history, ADA compliance status, utilization data, operating agreements, and staffing models.
- Confirm facility inventory, shared-use assumptions, and data gaps with City staff.

TASK RESULT

The project team will develop an existing conditions summary across programs, staffing, facilities, finance, and systems.

TASK 2: COMMUNITY ENGAGEMENT AND NEEDS ASSESSMENT

The project team will utilize the subtasks below to understand community priorities, satisfaction, barriers to access, and unmet recreation needs, following NRPA's survey guidance for sampling, administration modes, and actionable question design.

CAPRA Alignment – Standard 2.4: Community Involvement; Standard 10.4: Needs Assessment

CAPRA Alignment – Standard 6.4: Outreach to Diverse Underserved Populations; Standard 1.3: Equity Policy

COMMUNITY AND INTERCEPT SURVEYS

- Design a community survey instrument addressing satisfaction, unmet needs, barriers (cost, location, time, language), and priorities by demographic and geography.

- Administer surveys using multiple modes: online, mail-back, and bilingual options (English/Spanish) to maximize participation.
- Follow NRPA survey guidance for sampling methodology and actionable question design.
- Conduct intercept surveys at recreation facilities, programs, and community events to capture feedback from active users.
- Target diverse locations and times to ensure representative sampling across program types and demographics.

FOCUS GROUPS

- Facilitate targeted focus groups with key community segments: youth, seniors, underserved areas, families, and special populations.
- Develop discussion guides aligned with assessment objectives to gather qualitative insights on program quality, access barriers, and desired services.
- Ensure representation from diverse community groups, including low-income residents, non-English speakers, and historically underserved neighborhoods.

STAKEHOLDER INTERVIEWS

- Conduct interviews with key partners, including schools, libraries, nonprofits, sports leagues, and community organizations.
- Assess partnership effectiveness, service gaps, and opportunities for collaboration.
- Gather input from governmental agencies and local community organizations that support disadvantaged and low-income families.

TARGETED OUTREACH

- Partner with community organizations to facilitate access and build trust with hard-to-reach populations.
- Assess language access across programs, registration, and communications (English/Spanish).
- Map participation patterns against community demographics to identify disparities and barriers (cost, transit, language, digital access).

FACILITY ALIGNMENT

- Evaluate how existing facilities support priority services, including youth sports, aquatics, senior services, indoor recreation, special events, and community programming.
- Assess the suitability of shared-use facilities for long-term delivery of recreation services.
- Identify demographic and population growth trends affecting future recreation demand.
- Assess geographic distribution of services relative to population density and demographics.

Figure 1: Group 4 Community Engagement

TASK RESULT

The project team will develop an engagement plan and instruments, an engagement findings report, and an updated needs assessment report that includes priorities by demographics and geography.

TASK 3: ORGANIZATIONAL AND OPERATIONAL ASSESSMENT

Our project team will apply NRPA best management practices, based on CAPRA standards, to assess staffing, operational procedures, technology utilization, management planning, and other aspects of organizational performance.

Standard Domains for CAPRA Review:

Governance and Administration	Programs and Services
Planning	Facility and Land Use Management
Organization and Administration	Public Safety, Law Enforcement, & Security
Human Resources	Risk Management
Financial Management	Evaluation and Research

This approach will offer a thorough gap and benchmarking assessment, emphasizing current strengths and areas for improvement. Subsequent tasks will analyze these areas for improvement and formulate specific operational and staffing recommendations aligned with CAPRA standards.

CAPRA Alignment – This analysis will assess compliance with all 151 CAPRA standards, identify which are fully met, partially met, or not met, and provide priority recommendations to achieve accreditation readiness.

OPERATIONAL ANALYSIS

- Evaluate the adequacy of major work practices. This analysis will review workload and identify opportunities to streamline internal processes, assignments, and work practices to increase productivity and enhance effectiveness.
- Evaluate work planning and scheduling. This analysis will focus on the systems and processes used to plan and schedule work activities, and on how management systems assign resources to functions and tasks.
- Evaluate customer service for both internal and external customers. The project team will assess the quality of service delivered and coordinate between divisions on various business processes.
- Evaluate current technology systems. Examine software suites to assess implementation effectiveness, mobile/handheld device usage in the field, and the extent to which current systems facilitate efficient information sharing and reduce duplicate input.
- Evaluate performance management and metrics. Analyze how effectively performance is managed, including whether divisions make use of effective performance metrics, how goals and service level targets are developed, and whether metrics are tracked, reported, and communicated to staff.
- Evaluate the use of vehicles, equipment, facilities, and space. Assess the effectiveness of space usage and identify recommendations to enhance its use.

CAPRA Alignment – Standard 3.5: Records Management; Standard 10.2: Management Information Systems; Standard 10.1: Evaluation of Agency Functions

ORGANIZATIONAL AND STAFFING ANALYSIS

- Evaluate the Organizational Structure: Assess the overall organizational setup for gaps or overlaps in functions, spans of control, layers of management, role clarity, and appropriate organizational locations.
- Organizational Location of Services: Identify services that should be relocated within the organization or transferred to the Department.
- Benchmark staffing ratios with NRPA/California Park & Recreation Society (CPRS) national/state municipal peers (per capita, per facility/acre where applicable).
- Compare staffing levels with up to four comparable California communities identified in collaboration with City staff.
- Evaluate staff utilization and deployment against regulations, service levels, and workload. Account for future initiatives or changes in operational practices to ensure staffing recommendations meet future service demands.

Figure 2: NRPA Agency Data Source

- Identify workforce development and succession planning needs.
- Develop current and future staffing recommendations with staffing metrics and "trigger points" for evaluating future staffing adjustments.

CAPRA Alignment – Standard 3.1: Organizational Structure; Standard 4.1: Personnel Policies & Procedures; Standard 4.3: Employee Training & Development; Standard 4.5: Succession Planning

FACILITY CONDITION AND OPERATIONAL ASSESSMENT

- Conduct site visits (as appropriate and in coordination with City staff) to assess building systems, site infrastructure, accessibility, safety, and overall condition.
- Identify and summarize service-related issues, including layout, space allocation, functionality, flexibility, and customer experience.
- Evaluate the location, suitability, and capacity of current sites to support expanded recreational services.
- Identify deferred maintenance, code compliance issues, ADA/Title II compliance issues, and high-risk deficiencies.
- Evaluate operating model efficiency for major venues (e.g., aquatics, community centers).

CAPRA Alignment – Standard 7.1: Park and Recreation Land Use Planning; Standard 7.5: Maintenance & Operations Management

PROGRAM REVIEW

- Develop a Program Inventory and Classification that categorizes all existing offerings and maps them against user demographics to identify which populations are well served and which may be underserved.
- Conduct lifecycle analysis (introduce/grow/mature/decline) to right-size the portfolio; evaluate alignment with mission, equity, demand, and margins.
- Conduct qualitative service analysis using metrics: Program Relevance, Cultural Inclusivity, Accessibility, Instructor Quality, Consistency, and Participant Satisfaction.
- Compare offerings with peer agencies; identify gaps (e.g., adults, teens, seniors, adaptive recreation), schedule balance, and access (time/location).

		providing program type	Park acres (251-1,000)	Population (<20,000)
		General Programming Types		
Themed Special Events	Yes	89%	86%	85%
Social Recreation Events	Yes	89%	86%	82%
Team Sports	Yes	86%	83%	81%
Fitness Enhancement	Yes	80%	78%	72%
Health & Wellness Education	No	79%	73%	69%
Individual Sports	Yes	73%	67%	64%
Safety Training	Yes	66%	57%	59%
Racquet Sports	Yes	73%	63%	63%
Aquatics	Yes	60%	49%	50%
Performing Arts	Yes	57%	54%	43%
Visual Arts	Yes	58%	53%	46%
Natural & Cultural Activities	No	61%	47%	44%
Cultural Crafts	Yes	61%	56%	46%
Trips and Tours	No	58%	50%	43%
Martial Arts	Yes	51%	49%	38%
Running/cycling races	No	51%	42%	43%
Golf	No	38%	27%	25%

Figure 3: Program Analysis Example

- Recommend program additions, retirements, partnerships, and pricing strategies.
- Align Qualitative LOS goals with the Division's operational capacity; provide phased strategies to scale services sustainably.

CAPRA Alignment – Standard 6.1: Recreation Programming; Standard 6.2: Program and Service Statistics; Standard 6.3: Program Evaluation

PROGRAMMATIC MINI-STUDIES

Conduct focused analysis of specific programming clusters, evaluating staffing models, alternative service delivery, programming mix, risk, fee strategy, and marketing best practices for each:

Program Cluster	Key Analysis Elements
Adaptive Recreation	ADA compliance, inclusion practices, specialized staffing
Adult Sports/Activities	League structures, facility allocation, fee recovery
Aquatics	Safety protocols, lifeguard staffing, cost recovery
Contract Classes	Instructor agreements, revenue sharing, quality control
Senior Services	Vital services delivery, transportation, social services partnerships
Youth Sports	League partnerships, volunteer coaches, facility scheduling
Summer Day Camps	Staff ratios, licensing requirements, curriculum
Reservations/Parks	Booking systems, fee structures, utilization rates
Special Events	Resource allocation, community impact, sponsorship potential
Targeted Community Services (SCYTF/NSU)	Grant compliance, outcome tracking, partnership coordination
Early Childhood Education *(potential)*	Licensing, curriculum, staff qualifications
Fitness/Health *(potential)*	Facility needs, instructor certifications, market analysis
After School *(potential)*	School partnerships, transportation, supervision ratios

Each programmatic mini study will evaluate:

- Staffing Models (Internally Provided)
- Programming Mix
- Fee Strategy / Cost Recovery
- Alternative Service Delivery Models (Outside Provided)
- Risk
- Marketing Techniques & Strategies

CAPRA Alignment – Standard 6.1: Recreation Programming; Standard 9.1: Risk Management Policy

CONTRACTS & PARTNERSHIPS

- Inventory existing MOUs/agreements with schools, libraries, nonprofits, sports leagues, and other partners.
- Evaluate partnership performance, value delivered, and risk exposure.
- Identify new partnership models and shared-use agreement opportunities.
- Develop a potential sponsorship/naming framework consistent with public ethics.
- Create an approval workflow and policy outline for sponsorship agreements.

CAPRA Alignment – Standard 2.8: Partnerships; Standard 7.3: Joint Use Agreements

VOLUNTEER OPERATIONS

- Assess volunteer program structure, recruitment, training, and recognition practices.
- Evaluate compliance with background check requirements and risk management protocols.
- Recommend improvements to volunteer management and engagement.
- Review policies for incident reporting, youth safety, aquatic safety, and emergency plans.
- Recommend standard operating procedures (SOPs) and training cadence; note relevant CAPRA standards.

CAPRA Alignment – Standard 4.6: Volunteers; Standard 9.1: Risk Management Policy; Standard 9.2: Risk Management Plan

TASK RESULT

The project team will develop an operational and organizational assessment, including recommendations and opportunities for improvement.

TASK 4: FINANCIAL ANALYSIS, COST RECOVERY, AND FINANCIAL PLANNING

The financial analysis, cost recovery, and financial planning tasks will assist with recommended implementation strategies and opportunities for resource reallocation. The key elements of the financial analysis will include:

- Cost Analysis and Recovery: Identify the total costs of services, including direct, indirect, and overhead expenses, and evaluate current cost recovery levels, including fee waivers and subsidies.
- Comparative Benchmarking: Survey comparable agencies to assess industry standards, fee structures, and cost recovery approaches.
- Fee and Policy Recommendations: Propose appropriate fees, subsidies, and policy-based cost-recovery strategies to ensure equitable and inclusive park access.
- Reporting and Implementation Tools: Deliver a comprehensive report, master fee schedule, and a user-friendly financial model for ongoing fee analysis and adjustments.

The following tasks outline our project team's approach, a brief narrative, and the expected deliverables associated with each task.

CURRENT FEE STRUCTURE

Matrix will meet with City staff to discuss the current fee structure and identify opportunities to streamline or recommend improvements. This can include eliminating fees or recommending consistent subsidy percentages for residents or non-profit groups. The result of this subtask will be a more streamlined fee schedule to serve as the basis for the discussion.

COST-RECOVERY MODEL

Matrix will meet with staff in each programmatic area to discuss and develop the different components of the services provided.

The following shows a sample of the types of components included in the Cost Recovery Model:

Activity Title	Summer Camp			
Activity Length	5 Hours	5 days	1 Week	
Staff Requirements per Activity				
Position Title	**# of Staff**	**# of Hours**	**Hourly Rate**	**Total**
Rec Leader I	3	35	$15.00	$1,575.00
Rec Supervisor	1	40	$19.00	$760.00
			Staffing Cost per Activity	**$2,335.00**
Direct Material Costs Per Session				
Item Description		**#**	**Cost**	**Total**
Art Supplies		1	$500.00	$500.00
T-Shirts		20	$10.00	$200.00
			Material Cost per Activity	**$700.00**
			Total Direct Activity Costs	**$3,035.00**
Indirect Costs Per Activity				
Type			**Cost Factor**	**Total**
Maintenance			26%	$789.10

Activity Title	**Summer Camp**			
Activity Length	5 Hours	5 days	1 Week	
Departmental			15%	$455.25
Citywide			12%	$364.20
			Total Indirect Activity Costs	**$1,155.25**
			Total Activity Costs	**$4,190.25**
Program Revenue Offsets				
Type				**Total**
Grant				$1,000.00
Other				$0.00
			Total Activity Revenue Offset	**$1,000.00**
			NET ACTIVITY COST	**$3,190.25**
Projected Cost per Participant				
Participants	**#**	**Cost Per**	**Cost Recovery**	**Proposed Fee**
Max	30	$106.34	40%	$42.54
Average	20	$159.51	40%	$63.81

As the sample indicates, the evaluated components will include direct costs, such as staff providing the services or materials, and indirect overhead based on maintenance costs, divisional support, and citywide overhead. This model also allows the incorporation of any specific revenue offsets (e.g., donations, grant funding) to help cover program or activity costs.

Ultimately, an overall programmatic or per-participant cost will be established to demonstrate the full cost (both direct and indirect). The cost-recovery model(s) developed will be tailored to the types of programs the City offers.

CAPRA Alignment – Standard 5.1: Fiscal Policy; Standard 5.2: Budgeting; Standard 5.5: Pricing and Revenue Policy

DRAFT FEE RECOMMENDATIONS

Draft fee results will be developed based on staff interviews and the cost components included in the cost recovery model template(s). These draft fee results will compare current fees to the full cost fee. If participant information is available and tracked, the project team will be able to report the annual impact of the analysis. The following table shows a sample of the per-unit and annual results associated with pools:

Per Unit Results				
Activity	**Recommended Fee**	**Total Cost**	**Subsidy**	**Cost Recovery %**
Open Swim / Lap Swim				
General Admission	$3.00	$6.25	($3.25)	48%
15-Visit Pass	$40.00	$93.78	($53.78)	43%
Individual Annual Pass	$100.00	$187.57	($87.57)	53%
Family (4 person) Annual Pass	$150.00	$500.18	($350.18)	30%
Swim Club				
Resident	$25.00	$82.32	($57.32)	30%
Non-Resident	$50.00	$83.32	($33.32)	60%
Swim Lessons				

Per Unit Results				
Activity	Recommended Fee	Total Cost	Subsidy	Cost Recovery %
Individual	$10.00	$22.60	($12.60)	44%
Adaptive Swim Club	$30.00	$90.04	($60.04)	33%

As the table indicates, current cost recovery ranges from 30% to 61% per unit. The following table shows the annual revenue impact and cost recovery by participant count per area.

Annual Results					
Activity	Participants	Proposed Revenue	Total Cost Revenue	Annual Subsidy	Cost Recovery %
Open Swim / Lap Swim					
General Admission	34,082	$102,246	$213,013	($110,767)	48%
15-Visit Pass	67	$2,680	$6,283	($3,603)	43%
Individual Annual Pass	1	$100	$188	($88)	53%
Family (4 person) Annual Pass	57	$8,550	$28,510	($19,960)	30%
Swim Club					
Resident	12	$300	$988	($688)	30%
Non-Resident	2	$100	$167	($67)	60%
Swim Lessons					
Individual	20	$200	$452	($252)	44%
Adaptive Swim Club	8	$240	$720	($480)	33%
Total Annual Impacts		**$114,416**	**$250,320**	**($135,904)**	**46%**

Yearly cost recovery is 46%, as most participants are in the General Admission category, which has a per-unit cost recovery of 48%. This detailed analysis of the City's programs will help outline which activities receive the most significant subsidies and, therefore, have the greatest financial impact on the City.

CAPITAL NEEDS AND STRATEGIC RECOMMENDATIONS

- Analyze facility utilization by program type, time of day, season, and user group.
- Evaluate geographic access, service catchments, and coverage to identify underserved areas using NRPA master-planning best practices.
- Identify capacity constraints and scheduling conflicts.
- Identify and prioritize capital improvements, renovations, replacements, and potential new facilities.
- Develop a phased Capital Improvement Plan (CIP) roadmap with order-of-magnitude cost estimates:
  - 0–5 years: Immediate priorities and deferred maintenance
  - 6–10 years: Mid-term improvements and expansions
  - 10+ years: Long-term strategic investments
- Identify potential funding strategies, partnerships, and operational impacts associated with recommended improvements.

CAPRA Alignment – Standard 7.1: Park and Recreation Land Use Planning; Standard 5.3: Capital Improvement and Development Planning

TASK RESULT

The project team will develop a detailed analysis of the financial structure, including revenue and expenditure trends; a financial dashboard; a draft cost-recovery policy and fee schedule; and a user-friendly financial model for ongoing fee analysis.

TASK 5: PERFORMANCE MEASUREMENT, SWOT, AND BENCHMARKING

This task is critical to the success of this effort. While this task is placed later in the work plan (to align with the RFP structure), its elements are performed throughout the project. Our proposed schedule, after this work plan, demonstrates this. Conducting a SWOT session and a benchmarking analysis, for example, should be conducted early in the project for issue identification and analytical context.

UTILIZATION, CAPACITY, AND LEVEL-OF-SERVICE (LOS) ANALYSIS

- Analyze facility utilization by program type, time of day, season, and user group.
- Evaluate geographic access, service catchments, and underserved areas.
- Identify capacity constraints, scheduling conflicts, and operational inefficiencies, particularly within gymnasiums, aquatics facilities, and multipurpose spaces.
- Align analysis with NRPA master-planning best practices for level-of-service standards

KPI SCORECARD

- Build a KPI scorecard aligned with NRPA/CPRS Agency Performance Review metrics:
  - Participation per capita
  - Cost per participant
  - Cost recovery percentage by program category
  - Operating expenditures per capita
  - Maintenance metrics and facility condition indices
- Define data collection cadence and public-facing reporting format.
- Develop a 12-month measurement plan and template a quarterly report.

Figure 4: NRPA Park Metrics Data

CAPRA Alignment – Standard 10.1: Evaluation of Agency Functions; Standard 10.3: Performance Measures

BENCHMARKING SURVEY

- Conduct a comparative survey with up to four comparable California communities identified in collaboration with City staff.
- Collect contextual information: population size, budget, staffing, last fee study, and fee schedule update.
- Develop fee scenarios for each service type to compare with those of other jurisdictions.
- Graph results for visual comparison and identify areas where Gilroy may adjust to align with market demand.
- Compare organizational structures and staffing levels with those of comparable communities to highlight areas for potential modification.

SWOT ASSESSMENT

Initial SWOT discussions will take place during Task 1's onsite interviews and engagement. Utilizing the data collected in Task 1 and throughout the project, the team will create a tailored approach for staff to provide input on opportunities and challenges in the Division and how they might best be mitigated or addressed. This subtask will include half-day in-person facilitated sessions with Recreation Division staff:

- Department-Wide Issues Identification: Facilitated brainstorming session to identify department-wide issues and concerns. Pre-work conducted by the Division will help identify these issues.
- Environmental Scan: Lead discussion to identify key external influences affecting the Division and its service delivery, including stakeholder expectations and regulatory requirements. Evaluate and prioritize based on criticality, severity of impact, ability to address independently, and impact on services.
- SWOT Analysis: Lead participating staff through a comprehensive internal analysis, identifying detailed strengths, weaknesses, opportunities, and threats. Develop strategies to leverage strengths and opportunities while mitigating weaknesses and threats.
- Prioritization Exercise: Guide the Division through prioritization using pre-work, department-wide issues, an environmental scan, and a SWOT analysis. Produce a final list of key themes, concerns, and strategies with assigned priorities.

CAPRA Alignment – Standard 2.2: Strategic Plan; Standard 2.3: Agency Goals and Objectives

GROWTH AND OPPORTUNITY IDENTIFICATION

- Identify short-term opportunities (0–18 months): quick wins and low-cost improvements that can be implemented within current resources.
- Identify long-term strategic opportunities (18+ months): transformational opportunities requiring investment or policy changes.
- Explore partnership models with schools, nonprofits, the private sector, and regional collaboration.
- Develop recommendations for sustainable service expansion aligned with financial capacity and anticipated population growth.

TASK RESULT

The project team will develop a utilization and level-of-service analysis to include KPI dashboards and definitions, a 12-month measurement plan, and a template report.

TASK 6: DRAFT AND FINAL REPORTS

Once the work tasks are completed, we will document and review our analysis, findings, and conclusions with the City. The draft and final reports will include the following elements:

- A concise executive summary highlighting critical issues and resource requirements.
- A summary of survey results, focus group themes, and stakeholder input.
- A detailed analysis of operational and staffing results. Including a CAPRA gap analysis and accreditation-readiness recommendations.
- A Cost Recovery Policy with targets and methodology, with a related fee schedule and equity supports.
- A Capital Improvement Priority Plan with funding strategies.
- A detailed listing of recommendations, including priority, cost impact from implementation, and a timeframe for implementation.

Once staff and the work group have reviewed the draft final report and implementation plan and provided input, we will develop the final report and present it to the City.

TASK RESULT

The product of this task will be the draft and final reports, an implementation plan, and a presentation of results.

5: PROPOSED TIMELINE

For each task in our proposed scope of work (described above), we have identified the week(s) within the 10-month period when it will be completed.

	Month									
Task	1	2	3	4	5	6	7	8	9	10
Task 1: Project Initiation & Existing Conditions										
Task 2: Community Engagement & Needs										
Task 3: Organizational & Operational Assessment										
Task 4: Financial Analysis & Fee Policy										
Task 5: Performance, SWOT, & Benchmarking										
Task 6: Draft & Final Report										

We usually ask for two (2) weeks from notice to proceed or official award notification to commence the project. The timeline can be adjusted based on City staff priorities and preferences.

6: PRIOR WORK SAMPLES

The link below provides access to samples of our prior work.

https://drive.google.com/drive/folders/1qCQG5NMELku-az4Yeeld11Fwbjf1kn1h?usp=sharing

7: PRICING

The following table shows our estimated budget for each task within the scope of services outlined in the RFP, along with our proposed task plan. We have demonstrated the estimated hours by task and consultant for each task. The following table provides our proposed cost to provide services to Gilroy, listing the hours and hourly rate for each team member:

	Matrix Consulting Group				Group 4		
Tasks	**Vice President**	**Manager**	**Senior Consultant**	**Consultant**	**Principal**	**Architect**	**Total Hours**
Task 1: Project Initiation & Existing Conditions	20	80	0	20	30	56	206
Task 2: Community Engagement & Needs	4	80	0	32	20	26	162
Task 3: Organizational & Operational Assessment	4	52	0	32	24	48	160
Task 4: Financial Analysis & Fee Policy	20	12	40	8	16	48	144
Task 5: Performance, SWOT, & Benchmarking	12	72	0	20	16	40	160
Task 6: Draft & Final Report	16	32	0	12	18	26	104
Total Hours	**76**	**328**	**40**	**124**	**124**	**244**	**936**
Hourly Rate	$250	$190	$170	$145	$240	$180	
Total Professional Fees	**$19,000**	**$62,320**	**$6,800**	**$17,980**	**$29,760**	**$43,920**	**$179,780**
Project Expenses							$9,000
Total Project Cost							**$188,780**

This cost is all-inclusive and a fixed fee for any expenses that may arise. Our typical practice is to bill for hours worked monthly up to the contract amount. If any additional services are required, they will be billed at the hourly rates noted. We are committed to helping our clients develop accurate, defensible cost-of-service methodologies and ensure they can implement the results of these studies appropriately. Our client support continues after a final report has been issued. We understand that questions can arise well after project completion, and we are committed to working with our clients to answer any questions about methodologies and the application of results. This support is provided to our clients at no extra cost. This cost is all-inclusive and a fixed fee for any costs that may occur. Our typical practice is to bill for hours worked monthly up to the contract amount. If any additional services are required, they will be billed at the hourly rates noted.

8: ADDITIONAL INFORMATION

Attachments A and B begin on the following page.

ATTACHMENT A – CONTRACT REQUIREMENTS ACKNOWLEDGEMENT

I, Alan D. Pennington, declare as follows:

That I am the President (Title), of Matrix Consulting Group, Ltd. (Company),

the Consultant making the attached proposal; and that I have read the sample Agreement for Services (Attachment B), including the insurance & indemnification requirements contained therein, and hereby state that I understand and am willing to abide by, and can meet the requirements of the contract, including insurance and indemnification requirements, without modification thereto, should my firm be selected for a project or projects based on my qualifications and proposal, assuming a mutually agreeable scope, fee, and schedule can be established.

I understand that the attached sample agreement is the current version used by the City of Gilroy. The standard agreement for Professional Services is currently being updated, and a new version may be used by the time the agreement resulting from this RFP is executed.

Signed this 2nd day of February, 2026

By Alan D. Pennington

Title: President

Wage Theft Prevention Policy Statement

It is the policy of the City that all parties contracting with the City must comply with all applicable federal, state and local wage and hour laws including but not limited to the Federal Fair Labor Standards Act ("FLSA") and the California Labor Code. Suitable language regarding this requirement should be in all contracts.

1. **Disclosure**. As a part of any City solicitation for goods and/or services, including public works projects, contractor shall complete a "Bid Certification" ("Certification") that requires each potential contractor to disclose whether the contractor has been found by a court or final administrative action of an investigatory government agency to have violated federal, state, or local wage and hour laws within the past five (5) years from the date of the submitted bid or proposal.

2. **Disqualification.** The City MAY disqualify a potential contractor based on the disclosed violation.

3. **Contract Termination**. A current contractor found by a court or by final administrative action of an investigatory government agency to have violated applicable wage and hour laws, in the five (5) years prior to or during the term of the contract with the City, may be in material breach of its contract with the City if the violation is not fully disclosed and/or satisfied per City contract requirements. Such breach may serve as a basis for contract termination and/or any other remedies available under law, including a stipulated remediation plan.

I, Alan D. Pennington, President, certify that (Business Name) Matrix Consulting Group, Ltd.

☐ ***Has***

☑ ***Has Not***

been found by a court or by final administrative action of an investigatory government agency to have violated applicable wage and hour laws on more than one (1) occasion or has one (1) unpaid wage judgment.

For each disclosed violation, please provide a copy of (i) the court order and judgment and/or final administrative decision; and (ii) documents demonstrating either that the order/judgment has been satisfied, or if the order/judgment has not been fully satisfied, a written and signed description of potential contractor's efforts to date to satisfy the order/judgment. The completed Certification shall be submitted by the potential contractor to the City as a part of its bid or proposal.

Signature and Date: _____ February 2, 2026

RAFTELIS

City of Gilroy

Recreation Division Assessment

PROPOSAL / NO. 26-RFP-AD-531 / FEBRUARY 6, 2026

RAFTELIS

February 6, 2026

Katty Alvarez and Kylie Katsuyoshi
Finance Analyst and Management Analyst
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

Subject: Proposal for Recreation Division Assessment (RFP No. 26-RFP-AD-531)

Raftelis is pleased to submit this proposal to support the City of Gilroy's (City) Recreation Division Assessment. We appreciate the opportunity to partner with the City on this important effort and to bring a practical, best-practice-informed, and implementation-focused approach to strengthening recreation services for the Gilroy community.

We also recognize that this assessment is occurring at a time when the City is balancing continued population growth, rising service expectations, and well-managed but finite financial and staffing resources. The City of Gilroy is transitioning from post-pandemic stabilization toward long-term planning and implementation, while remaining disciplined about ongoing costs, staffing capacity, and use of one-time resources. We understand that future success for the Recreation Division will depend not only on identifying opportunities for improvement, but on aligning programs, staffing, facilities, and service levels with the City's broader fiscal strategy, workforce realities, and long-term priorities. Our approach is intentionally designed to support informed decision-making in this environment by providing clear, actionable recommendations that are realistic, phased, and responsive to the City's current conditions.

This engagement is particularly meaningful to us given our longstanding relationship with the City. I will serve as Project Director for this assessment, and in that role, I bring extensive experience as a trusted advisor to the City of Gilroy, having supported the City across multiple public safety engagements over time. That familiarity allows our team to approach this work with a deep understanding of the City's governance structure, organizational culture, fiscal environment, and community expectations—while still providing an objective, data-driven assessment aligned with national best practices.

Our team is further strengthened by Don White, serving as Special Advisor. Don is a former Interim Deputy City Manager for the City of Lake Forest, where he led an in-house organizational assessment of the Recreation Department, evaluating staffing, structure, service delivery, and operational effectiveness. Many of the recommendations developed through that assessment were subsequently implemented, resulting in meaningful improvements to departmental operations and service alignment. Don brings a practitioner's perspective grounded in hands-on local government management experience and understands how to translate assessment findings into actions that are feasible, defensible, and sustainable within a municipal environment. His experience will support the City of Gilroy in ensuring that recommendations developed through this engagement are practical and positioned for successful implementation

Day-to-day technical leadership for this project will be anchored by Mick Rennisen, whose experience as a former Parks and Recreation Director is directly aligned with the City's objectives. Mick began his career in recreation, progressed through departmental leadership roles, and ultimately led his department through its initial Commission

for Accreditation of Parks and Recreation Agencies (CAPRA) accreditation process, followed by multiple reaccreditations. This experience provides the City National Recreation and Parks Association (NRPA) with a practitioner's perspective on what it truly takes to align policies, staffing, programs, facilities, and performance management with NRPA and CAPRA standards—while operating within real-world constraints related to staffing capacity, funding, and community expectations.

As a firm, Raftelis brings a deep background in local government operations, public finance, and organizational performance, with a specific focus on parks and recreation agencies nationwide. Our approach emphasizes more than identifying gaps or benchmarking performance. We focus on integrating actionable, prioritized recommendations that move organizations toward best practice incrementally and realistically, acknowledging current conditions, available resources, labor considerations, and political and organizational realities. Our recommendations are designed to be implementable—supported by clear rationale, cost considerations, phasing, and decision points—so that City leadership and the City Council can confidently act on the findings.

We are enthusiastic about the opportunity to support Gilroy in evaluating its Recreation Division, engaging staff and the community, and developing a clear roadmap to enhance service effectiveness, equity, and long-term sustainability. We believe our team's experience, familiarity with the City, and commitment to practical implementation uniquely position us to deliver value on this important project.

The City's standard agreement has been reviewed and accepted without modification. Additionally, Raftelis or any individual who will perform work for Raftelis is free from any conflict of interest.

Thank you for your consideration. We look forward to the opportunity to continue our partnership with the City of Gilroy.

Sincerely,

Jonathan Ingram, *Vice President*
P: 513.221.0500 / E: jingram@raftelis.com
Raftelis Financial Consultants, Inc. (DBA Raftelis)
Subchapter S Corporation

RAFTELIS CHARITABLE GIFT FUND

Giving back

The Raftelis Charitable Gift Fund seeks to make a difference on issues that matter to our clients and employees by helping build sustainable, inclusive communities locally and worldwide. We do this by allocating company profits and employee contributions of time and money. We support organizations that:

- Promote efficient, sustainable resource use
- Advance diversity, equity, and inclusion within the public sector
- Invest in access to clean water and sanitation
- Help vulnerable communities by addressing affordability issues

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EXECUTIVE SUMMARY

Executive Summary

The City of Gilroy is seeking a thoughtful, practical assessment of its Recreation Division at a time of continued community growth, increasing service expectations, and carefully managed financial and staffing resources. As the City transitions from post-pandemic stabilization toward long-term planning and implementation, there is a clear need to ensure that recreation programs, staffing, facilities, and operational practices are aligned with community needs, organizational capacity, and the City's broader fiscal and policy priorities.

Raftelis understands that this engagement is not about identifying aspirational best practices in isolation, but about helping the City make informed, realistic decisions that strengthen service delivery today while positioning the Recreation Division for future success. Our approach focuses on developing a holistic understanding of the Division's current operations—including staffing and organizational structure, programs and services, facilities, financial practices, technology, and equity considerations—while recognizing the constraints under which the City and its employees operate.

We bring extensive experience working with local governments, particularly in California and the western United States, and a strong track record of supporting recreation and parks organizations through complex operational and organizational assessments. Our work emphasizes listening first, engaging staff and stakeholders as partners, and building on existing strengths. We do not rely on pre-packaged solutions; instead, we tailor our analysis and recommendations to the City's unique context, culture, and resources.

Most importantly, our recommendations are designed to be actionable and implementable. We prioritize clarity, feasibility, and phased implementation—providing the City with practical options, clear tradeoffs, and an implementation roadmap that supports decision-making by staff and the City Council. Through this approach, Raftelis will deliver an assessment that not only identifies opportunities for improvement but also helps the City of Gilroy move confidently from analysis to action in strengthening recreation services for its community.

Section 1. – Company Background

RAFTELIS: HELPING LOCAL GOVERNMENTS AND UTILITIES THRIVE.

Since our founding in 1993, local government and utility leaders have partnered with Raftelis to transform their organizations by enhancing performance, planning for the future, identifying top talent, improving their financial condition, and telling their story. We've helped more than 700 organizations in the last year alone. We provide trusted advice, and our experts include former municipal and utility leaders with decades of hands-on experience running successful organizations. People who lead local governments and utilities are innovators—constantly seeking ways to provide better service to the communities that rely on them. Raftelis provides management consulting expertise and insights that help bring about the change that our clients seek.

We believe that Raftelis is the *right fit* for this project. We provide several key factors that will benefit the City and help to make this project a success.

RESOURCES AND EXPERTISE: This project will require the resources necessary to effectively staff the project and the skillsets to complete all required components. With more than 190 consultants, Raftelis has one of the largest local government management and financial consulting practices in the nation. Our depth of resources will allow us to provide the City with the technical expertise necessary to meet your objectives. In addition to having many of the industry's leading management and financial consultants, we also have experts in key related areas, like stakeholder engagement and data analytics, to provide additional insights as needed.

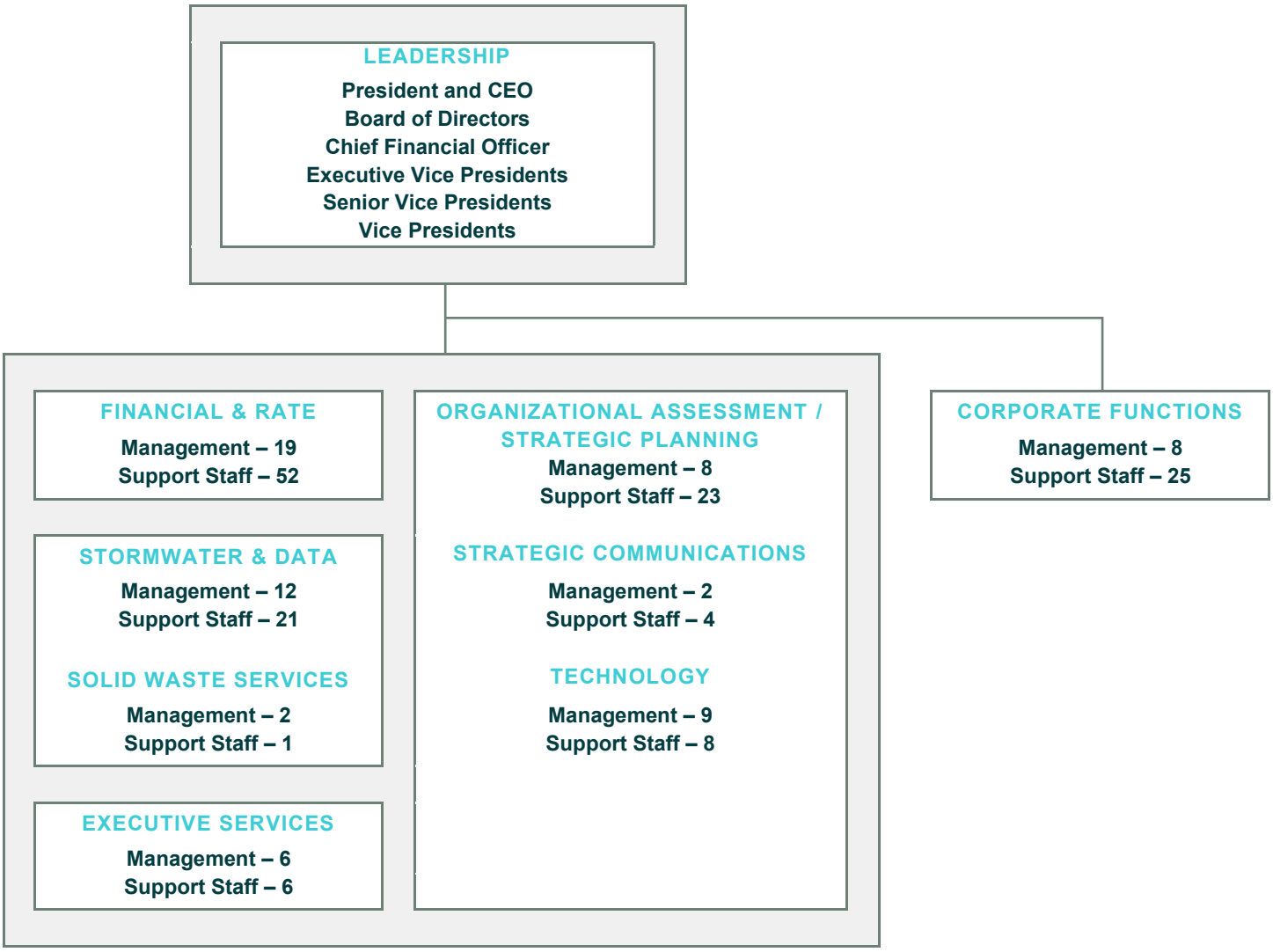
DECADES OF COLLECTIVE EXPERIENCE: Our associates and subject matter experts have decades of experience strengthening local municipalities and nonprofit organizations. They've served in a wide range of positions, from city manager to public works director to fire chief.

PERSONAL SERVICE FROM SENIOR-LEVEL CONSULTANTS: You appreciate it when deadlines are met, phone calls are returned, and your challenges are given in-depth, out-of-the-box thinking. While other firms may assign your business to junior-level people, our approach provides exceptional service from senior-level consultants.

NICHE EXPERTISE: Our expertise lies in strengthening public-sector organizations. We're consulting specialists rather than generalists, focusing our strengths to do a highly effective job for a specific group of clients.

Firm Organization Chart

Over the last five years, our firm has grown from 97 to 223 employees. Raftelis' staff consists of some of the most knowledgeable and skilled consulting professionals in the municipal consulting industry. The organizational chart below shows the full organization and reporting structure of our firm.



FIRM CAPABILITIES

Finance: Promote financial integrity and the equitable recovery of costs to achieve your objectives

- Rate, charge, and fee studies
- Financial and capital planning
- Cost of service and cost allocation
- Customer assistance programs
- Affordability analysis
- Asset valuation
- Budget development
- Financial condition assessments
- Debt issuance support
- Grant application assistance
- Billing data assessments
- Economic feasibility and analysis
- Regulated utility support
- Impact fees

Strategic Communications: Inform and engage with your stakeholders to build understanding and support

- Strategic communication planning
- Public involvement and community outreach
- Public meeting facilitation
- Graphic design and marketing materials
- Media and spokesperson training
- Risk and crisis communication
- Social media strategy
- Visual facilitation
- Virtual engagement
- Technical writing and content development

Strategic Planning/Facilitation: Plan for the future to guide your organization to success

- Organization, department, and community-based strategic planning
- Retreat planning and facilitation
- Climate action planning
- Effective Board / Commission / Council governance
- Strategic plan implementation support
- Sustainable materials management planning and implementation
- Effective Utility Management (EUM) assessment facilitation

Executive Services: Identify and develop talent to lead local governments and utilities

- Executive recruitment
- Executive coaching
- Executive performance evaluations
- Succession planning and workforce development
- Raftelis Performance Academy

Utility Development, Implementation, & Program Support: Develop sustainable programs and practices to equitably fund utility services

- Stormwater utility development and implementation support
- Solid waste planning, procurement, implementation, regulation, and compliance
- Water and wastewater utility development

Organizational Assessment: Identify needs, plan for the future, and implement sustainable and positive changes

- Organizational and operational assessments
- Performance measurement and benchmarking
- Staffing level needs assessment
- Organizational climate and culture
- Organizational change management
- Regionalization and service sharing evaluation and support

Asset Management: Maximize asset-based outcomes at optimal cost and risk while meeting all levels of service

- Asset management maturity assessment and gap analysis
- Asset management roadmap development
- Asset risk identification and management
- Life cycle cost analysis
- Remaining useful life development and tracking
- Technology integration and reporting
- CIP planning and prioritization
- Capital project delivery standardization

Data Management & Technology: Gain insights from your data and optimize technology systems to increase effectiveness and engagement

- Digital transformation planning and implementation
- Strategic technology planning (IT master planning)
- Data management and analytics
- Cybersecurity services
- Systems integration support
- Artificial intelligence (AI) readiness assessments
- Technology systems assessment, evaluation, procurement, and implementation support
- Maintenance and asset management technology services
- Business intelligence and performance management reporting
- Custom software solutions support

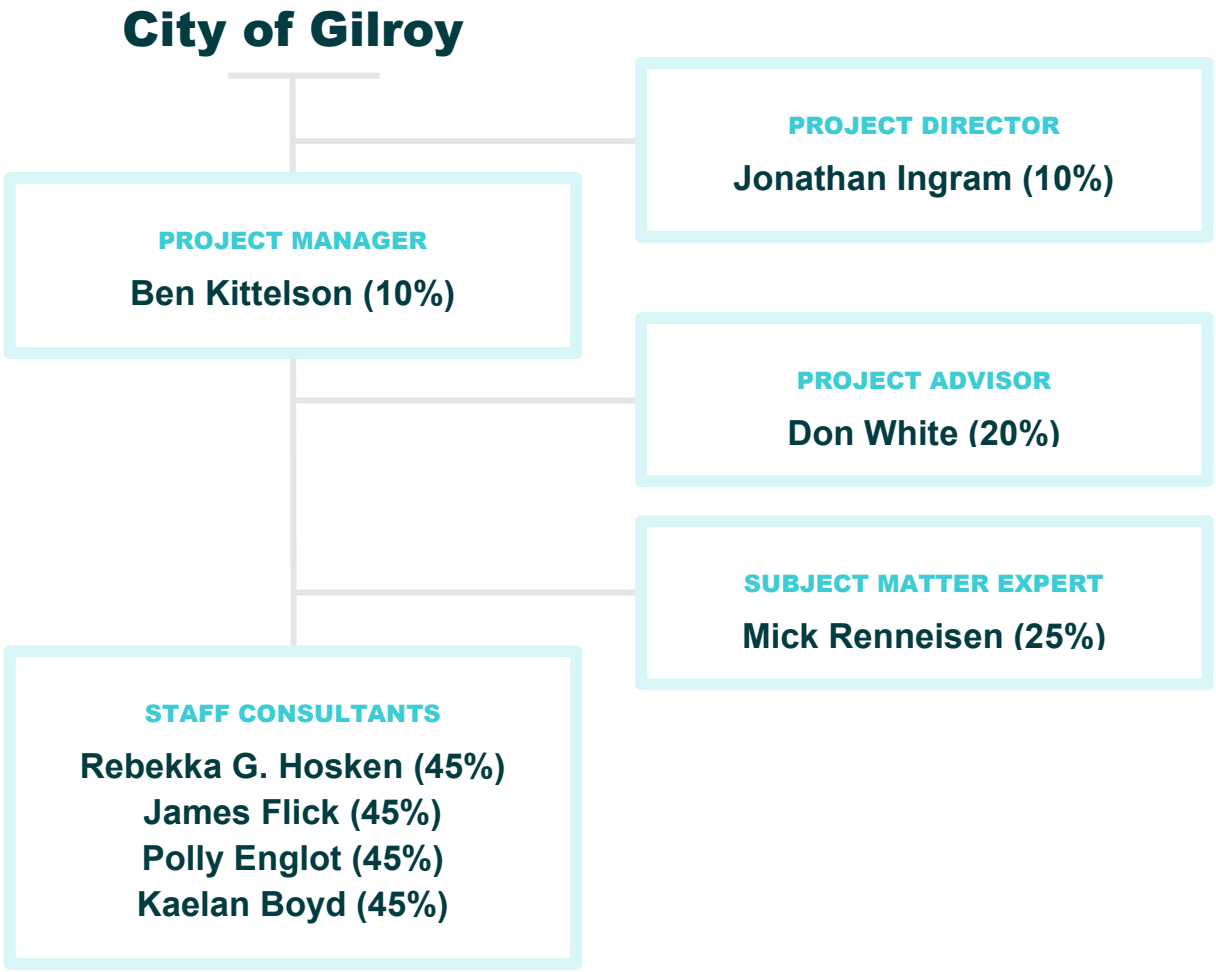
Section 2. – Company and Project Team Qualifications

WE HAVE DEVELOPED A TEAM OF CONSULTANTS WHO SPECIALIZE IN THE SPECIFIC ELEMENTS THAT WILL BE CRITICAL TO THE SUCCESS OF THE CITY'S PROJECT.

Our project team is made up of senior-level consultants with direct local government experience. What sets our project team apart is our ability to explore and relate to local community values while at the same time investigating realistic approaches for cost-effective solutions.

Because we possess the in-house knowledge and experience necessary for this work, no subconsultants will be used. All team members are Raftelis employees.

An organizational chart of our project team is as follows. Resumes for each team member are provided. on the following pages.



Jonathan Ingram

PROJECT DIRECTOR
Vice President

ROLE

Jonathan will be responsible for overall project accountability and will be available to provide quality assurance and control, industry perspective, and insights into the project.

PROFILE

Jonathan is a nationally recognized executive consultant with over 20 years of leadership experience advancing performance, efficiency, and resilience in local government and utility service delivery. As the leader of Raftelis' Local Government Organizational Assessment Practice, he directs enterprise-level consulting engagements that help cities, counties, and public utilities across the country navigate complex operational and financial challenges to achieve long-term success.

With a unique blend of direct public sector experience and high-impact management consulting experience, Jonathan brings deep expertise across the full spectrum of municipal and utility functions—including public safety, public works, asset management, parks and recreation, finance, community development, internal services, and utility service delivery. He has successfully led transformative initiatives for over 1,000 local governments and utilities, delivering measurable results through operational reviews, staffing and deployment planning, departmental restructuring, performance management, intergovernmental collaboration, and strategic planning.

Specialties
- Staffing and operations assessment
- Public safety staffing and operations
- Financial management and planning
- Process improvement

Professional History
- Raftelis: Vice President (2024-present); Senior Manager (2021-2023); Manager (2020-2021); Senior Associate, The Novak Consulting Group (2012-2020)
- City of Cincinnati, Ohio: Budget Manager (2010-2012)
- Management Partners: Senior Management Advisor (2005-2010)

Education
- Master of Public Administration - Northern Illinois University (2005)
- Bachelor of Arts in Political Science - Aurora University (2003)

Professional Memberships
- International City/County Management Association (ICMA)
- Ohio City/County Management Association (OCMA)

A cornerstone of Jonathan's approach is his ability to align operations and service delivery outcomes with organizational strategy and fiscal realities. He has extensive experience supporting fiscally distressed communities, developing long-term financial plans that connect operational needs—such as staffing, capital investment, and technology—with financial constraints and service level expectations. His strategies are tailored to maximize impact, attain organizational health, and ensure reliable service delivery to the public.

Jonathan has also developed and refined Raftelis' proprietary methodologies for workforce and resource planning, emphasizing employee engagement, data-driven workload analysis, and best practice alignment. These approaches yield realistic, aspirational, and implementable plans for departments seeking to modernize service delivery and improve internal performance.

Jonathan is also a recognized thought leader in public safety operations and analytics. He co-authored the ICMA-published article *"Policing Parameters: How Gilroy, California Met New Workload Demands,"* showcasing his ability to apply data-driven methods to real-world operational challenges. He collaborates with subject matter experts to deliver integrated recommendations that balance technical rigor with organizational and political realities.

Ben Kittelson

PROJECT MANAGER

Manager

Specialties

- Budgeting and financial analysis
- Organizational assessment
- Strategic planning
- Process improvement
- Staffing analysis

Professional History

- Raftelis: Manager (2024-present); Senior Consultant (2022-2023) Consultant (2020-2021); Consultant, The Novak Consulting Group: (2019-2020)
- City of Durham, North Carolina: Senior Budget and Management Analyst (2016-2019)
- Guilford County, North Carolina: Budget and Management Analyst (2014-2016)
- City of Gresham, Oregon: Intern (2014)
- Oregon Metro: Intern (2014)
- City of West Linn, Oregon: Intern (2013-2014)
- City of Beaverton, Oregon: Intern (2012-2013)

Education

- Master of Public Administration - Portland State University (2014)
- Bachelor of Arts in Politics and Economics - Willamette University (2012)

Professional Memberships

- Engaging Local Government Leaders (ELGL): Board of Directors (2017-2024)
- North Carolina Local Government Budget Association (NCLGBA)
- Strong Towns
- International City / County Management Association (ICMA)

ROLE

Ben will manage the day-to-day aspects of the project ensuring it is within budget, on schedule, and effectively meets the City's objectives. He will also lead the consulting staff in conducting analyses and preparing deliverables for the project. Ben will serve as the City's main point of contact for the project.

PROFILE

Ben began consulting in 2019 after seven years of direct service to local governments on the East and West Coast. Most recently, Ben worked for the Budget and Management Services Department in the City of Durham, North Carolina. He worked on the annual budget and the community-wide strategic plan. He completed revenue projections for sales tax and water sales, assisted with financial planning for affordable housing, and led community engagement efforts designed to inform the City's budget process. Ben also started an innovation partnership program with local technology startup companies.

As a consultant, Ben has worked on more than 85 projects across 27 states, evaluating local government operations and identifying actionable recommendations. His work helps local government organizations improve services and become more effective through staffing and workload analysis, process improvement, and policy and procedure review. Ben has assessed a wide variety of local government operations including public safety, public works, utilities, parks, human resources, and development reviews. He has analyzed staffing levels and organizational structure, created process maps, and developed recommendations based on the unique environment and infrastructure needs of the community. Ben is skilled at connecting operational and staffing needs with the strategic priorities of the organization, service levels, and community expectations. He has also assessed employee satisfaction and workplace culture using qualitative and quantitative methods.

Ben began his career in the Portland, Oregon region, where he served the Cities of Beaverton, West Linn, and Gresham, as well as Metro, the regional government for the Portland area. Ben expanded his experience in the Budget, Management, and Evaluation Department in Guilford County, North Carolina, where he analyzed government services such as jail operations and education funding.

Ben is a founding board member of Engaging Local Government Leaders (ELGL) and helped run the organization from 2013 to 2024. In that time, ELGL grew from a few hundred members in Oregon to over 4,800 across the nation. He has written articles for the ELGL website, planned regional events, and planned the organization's national conference. Ben continues to produce and co-host ELGL's GovLove Podcast.

Don White

PROJECT ADVISOR
Senior Advisor

ROLE

Don will provide strategic oversight for the project, ensuring all milestones align with the City's long-term objectives. He will advise the consulting staff on complex analyses and provide quality assurance for all project deliverables.

PROFILE

Don has 40 years of local government experience in two California cities where he served in numerous capacities and departments, including 26 years as Human Resources Director, where he oversaw all recruitments. He retired as City Manager in 2021. Since then, he has provided consulting services for several cities. His assignments have included workshop facilitation, team building, goal setting, strategic planning, organizational analysis, and financial sustainability. He also served as an interim Deputy City Manager for Lake Forest, CA where he oversaw the Community Services Department and the Marketing and Communications Department, conducted an organizational analysis, and assisted in the recruitment of the new Deputy City Manager. He joined Raftelis in January of 2024.

Don's most recent direct local government experience was with Laguna Hills, California, where he served 29 years. He started with the newly incorporated city in 1991 as the Director of Administrative Services and was promoted to Assistant City Manager in 1994. From 2018 to 2021, he served as City Manager. Prior to being named City Manager, he oversaw human resources, finance, risk management, information technology, public information, economic development, and parks and recreation. As Human Resources Director, he oversaw all recruitments, including multiple executive-level recruitments for Finance Director, Community Development Director, Public Works Director, Community Services Director, and City Clerk. He conducted numerous organizational analyses and was the team lead on strategic and long-term financial planning. He was consistently recognized by the Government Finance Officers Association for award-winning budgets and financial reporting and navigated the City through the great recession and the pandemic.

Before joining Laguna Hills, Don served as Economic Development Director in La Mirada, California, where he oversaw the City's Redevelopment Agency. He started his local government career in La Mirada as an Administrative Intern while completing his college studies. During his 11 years with La Mirada, he served in various capacities, including Assistant to the City Manager.

Specialties
- Executive coaching
- Executive recruitment
- Facilitated performance evaluations
- Workshop facilitation
- Organizational analysis
- Strategic planning
- Goal setting and team building
- Fiscal sustainability
- Human resources

Professional History
- Raftelis: Senior Advisor (2024-present)
- Management Partners/BakerTilly: Special Advisor (2022-2023)
- City of Lake Forest: Interim Deputy City Manager (6/2023-9/2023)
- Management Partners: Special Advisor (2022)
- Laguna Hills, California: City Manager (2018-2021); Assistant City Manager (1994-2018); Director of Administrative Services (1991-1994)
- La Mirada, California: Economic Development Director (1989-1991); Redevelopment Manager (1987-1988); Assistant to the City Manager (1986); Various Management Analyst/Intern Positions (1981-1985)

Education
- Bachelor of Arts in Business Administration – Whittier College, Whittier, CA (1981)

Professional Memberships
- International City/County Management Association, 30 Year Service Award Recipient
- Government Finance Officers Association of the United States and Canada
- League of California Cities Revenue and Taxation Policy Committee
- Exclusive Risk Management Authority of California, Chair

Mick Renneisen

SUBJECT MATTER EXPERT

Principal Consultant – Parks & Recreation/Municipal Administration

Specialties
- City Administration
- Parks & Recreation
- Organizational Assessment
- Staffing and Hiring Practices

Professional History
- Raftelis: Principal Consultant (2021-Present)
- City of Bloomington, IN: Deputy Mayor (2016-2021); Parks & Recreation Department Director (1996-2015); Parks & Recreation Department Sports Division Director and Program Manager (1981-1995)
- MR Consulting: Consultant (May 2021-Present)
- Eppley Institute at Indiana University: Consultant (2007-2016)

Education
- Master of Parks & Recreation Administration - Indiana University (1988)
- Bachelor of Science in Physical Education - Indiana University (1979)

Professional Memberships
- National Recreation and Parks Association
- Indiana Parks and Recreation Association

ROLE

Mick will provide input and guidance as a Subject Matter Expert for the Parks and Recreation components of this project.

PROFILE

Mick joined Raftelis in 2021 with extensive local government management and administrative experience. Mick served as the Deputy Mayor of the City of Bloomington, Indiana, for five years and as Director of Parks and Recreation there for 20 years. Previously, he spent 15 years as a division director and program manager over the City's sports services division. During his tenure working for the City, Mick also served as a consultant specializing in hiring and recruitment processes and parks and recreation management for clients throughout the country.

During Mick's tenure as Parks & Recreation Director in Bloomington, the Department completed over $80 million in capital projects including the addition of nine new holes at Cascades Golf Course, the acquisition of a 100,000 square foot indoor recreation center, and the addition of numerous parks. In 2007 Bloomington Parks and Recreation received the Gold Medal Award from the Sporting Goods Manufacturers Association and the National Recreation and Parks Association, representing excellence in the field of parks and recreation services and the highest honor an agency can receive. In addition, Bloomington Parks and Recreation became the 27th department nationally to achieve CAPRA accreditation in 2001 and was re-accredited in 2006, 2011, 2016 and 2021.

Mick has served as the president of IPRA (Indiana Parks & Recreation Association) in 1997 and has served on numerous IPRA committees over the years. Mick has served on the board of regents of the School of Sports Management, conducted by North Carolina State University, from 1991-93 and is a 1984 graduate of the School of Sports Management. He has served on the ASA (Amateur Softball Association) national Board of Directors for seven years. Mick was named the Professional of the Year for 2011 by the Indiana Parks and Recreation Association and received the Bloomington Chamber of Commerce Lifetime Achievement Award in 2021.

Mick has served as an adjunct instructor at Indiana University in the School of Health, Physical Education, and Recreation (HPER) and also presents at IU's Executive Development Program. Mick is a statistician for Indiana University men's basketball and football home games and also for the Maui Invitational basketball tournament.

Rebekka G. Hosken

STAFF CONSULTANT

Senior Manager

ROLE

Rebekka will work under the direction of Ben in conducting interviews, directing research and analysis, preparing recommendations, and drafting deliverables.

PROFILE

Rebekka joined Raftelis in 2020 with 16 years of direct service to local governments and 10 years of management consulting experience. As an experienced consultant, Rebekka has led organizational assessments for a broad range of operating departments and offices in cities, counties, universities, and special districts, including community development, public works, police, administration, and city attorney departments. With direct operational experience in municipal administration, public works, and finance departments, Rebekka's breadth of knowledge makes her skillful in quickly identifying organizational strengths and opportunities, analyzing operations through creation of process maps and workflows, preparing actionable recommendations for improvement, and communicating findings to a wide variety of audiences. She has consulted for over 125 clients throughout the United States and Canada.

Rebekka served as finance director for the City of La Cañada Flintridge, California, a contract city north of Los Angeles, responsible for accounts payable, receivable, budget, audit, and payroll. She automated several previously manual operations, including business licensing and payroll processing, coordinated acceptance of credit cards from customers for the first time, and implemented a new financial software system. During her tenure, she identified and successfully obtained a State loan for the financing of the City's new city hall and played a key leadership role in successfully moving all operations and staff, as well as communicating all financial impacts of the project to management and City Council.

Previously, Rebekka was the budget officer for the City of Simi Valley, California, a full-service community in the Los Angeles region. She prepared the City's $196 million annual budget and $160 million capital improvement program, as well as the City's cost allocation plan. She managed the budget and capital projects module training and setup for a comprehensive citywide enterprise resource planning (ERP) system implementation across nine operating departments.

Rebekka earned a master's degree in business administration with a Certificate in Local Government and Non-Profit Management from Boston University, and a Bachelor of Arts from the University of Michigan – Ann Arbor. She has published articles in Public Management magazine and served as a trainer in sessions at International City/County Management Association (ICMA) conferences.

Specialties

- Organizational assessment
- Budgeting and financial analysis
- Business process improvement
- Strategic planning
- Staffing analysis

Professional History

- Raftelis: Senior Manager (2023-present); Manager (2020-2022)
- City of La Cañada Flintridge, California: Finance Director (2017-2020)
- City of Simi Valley, California: Budget Officer (2012-2017)
- City of Burbank, California; Senior Management Analyst (2010-2012)
- Management Partners; Senior Consultant (1999-2010)
- Village of La Grange Park, Illinois: Assistant Village Manager (1996-1999)
- City of Appleton, Wisconsin: Assistant to the Mayor (1994-1996)
- Town of Lexington, Massachusetts: Management Intern (1992-1993)

Education

- Master of Business Administration – Boston University (1993)
- Certificate in Local Government and Non-Profit Management – Boston University (1993)
- Bachelor of Arts in Russian Studies – University of Michigan (1989)

Professional Memberships

- Government Finance Officers Association
- California Society of Municipal Finance Officers

James Flick

STAFF CONSULTANT

Senior Consultant

Specialties
- Organizational assessment
- Strategic Planning

Professional History
- Raftelis: Senior Consultant (2021-present)
- Northern Kentucky University: Adjunct Instructor (2017-2021)
- Deerfield Township, Ohio: Economic Development Director/Public Information Officer (2018-2021)
- City of Cincinnati: Development Officer /Interim Division Manager, Policy and Communication (2016-2018)
- Cushman and Wakefield: Vice President of Research and Marketing (2010-2016)

Education
- Master of Public Administration – Northern Kentucky University (2010)
- Bachelor of Arts in Political Science – Eastern Michigan University (2006)

Certifications
- Economic Development Finance Professional Certification (Grow American formerly NDC)

Professional Memberships
- International City/County Management Association (ICMA)
- American Society for Public Administration (ASPA)

ROLE

James will work under the direction of Ben in conducting interviews, directing research and analysis, preparing recommendations, and drafting deliverables.

PROFILE

James has over 14 years of organizational leadership experience, including six years in local government. Most recently, James served as the Director of Economic Development and Public Information Officer for Deerfield Township in Warren County, Ohio. Previously, he was a Development Officer and oversaw the Policy and Communication Division for the Department of Community and Economic Development at the City of Cincinnati.

James' areas of expertise include economic development, project management, and performance measurement. In addition, he is a skilled communicator, analyst, and creative problem solver.

During his tenure at Deerfield Township, James worked closely with entrepreneurs looking to start a business, assisted existing companies with relocations and expansions, and managed development projects of varying scales. He also served on the Executive Board of the Warren County Small Business Development Alliance.

At the City of Cincinnati, James supported business attraction initiatives and evaluated commercial development opportunities in the Central Business District. He was also instrumental in developing policies, programs, and strategic plans to address smart city initiatives, small business growth, retail revitalization in the urban core, and foreign direct investment.

James has presented at several state and regional conferences on smart cities, data and demographics, and economic development's relationship to parks. He is also an Adjunct Instructor for the Northern Kentucky University Master of Public Administration program, where he teaches Community Development, Public Policy, and Budgeting.

James earned a bachelor's degree in political science from Eastern Michigan University and a master's degree in public administration from Northern Kentucky University.

Polly Englot

STAFF CONSULTANT

Consultant

Specialties

- Municipal budget development
- Project management
- Organizational assessment
- Process improvement
- Event planning and facilitation
- Forecasting
- Data analysis

Professional History

- Raftelis: Consultant (2026-present); Associate Consultant (2024-2025)
- Broward County: Budget and Management Analyst (2022-2023)
- Food Bank for New York City: Marketing and Events Coordinator (2018-2020)
- Population Services International: Program Coordinator (2016-2018)

Education

- Master of Public Policy - Duke University, Sanford School of Public Policy (2022)
- Bachelor of Arts in Geography, minors in Arabic and French - Bucknell University (2016)

ROLE

Polly will work under the direction of Ben in conducting interviews, directing research and analysis, preparing recommendations, and drafting deliverables.

PROFILE

Polly has robust analytical experience throughout the public sector, having worked in local government, nonprofit, and international development settings. She is proficient in the areas of budget planning and analysis, process improvement, and project management. Polly is a detail-oriented problem solver who leverages data and organizational analysis to identify trends and actionable solutions.

Prior to joining Raftelis, Polly worked in Broward County's Office of Management and Budget in southern Florida. She supported monitoring and development of over $100-million-dollar annual operating budgets for judicial offices and the county's extensive environmental agency. This work included forecasting for a dozen special revenue funds, monitoring state and federal grants, assessing payroll and benefit costs for over 500 employees, and evaluating new staffing and capital project requests.

Throughout her academic studies, Polly developed highly functional skills in GIS analysis, data visualization and communication, evaluation design, and public budgeting. She strengthened these skills in the classroom by learning from her prior tenure at Food Bank for New York City, where she supported planning and content development for over 90 marketing campaigns and events annually. In addition, she collaborated with stakeholders and donors at all levels to raise awareness, fundraise, and support the Food Bank's clients.

Polly began her career in program operations supporting international public health programs based in West Africa, funded by major public and private grantors. Programs ranged from women's health information campaigns to sanitation service delivery research, and she completed technical assistance trips to Ghana and Liberia.

Polly earned a master's degree in public policy from Duke University's Sanford School of Public Policy and a bachelor's degree in geography, with minors in Arabic and French, from Bucknell University in Pennsylvania.

Kaelan Boyd

STAFF CONSULTANT

Consultant

ROLE

Kaelan will work under the direction of Ben in conducting interviews, directing research and analysis, preparing recommendations, and drafting deliverables.

PROFILE

Kaelan is a seasoned public policy and administration professional with extensive experience in government operations, strategic planning, and legislative affairs. With a track record of success in local government, Kaelan has held roles such as Management and Budget Analyst for Mecklenburg County, where he led participatory budgeting initiatives and managed a multi-billion-dollar budget, and Chief of Staff and Legislative Liaison to the Muscogee County District Attorney, advancing justice reform and overseeing major organizational initiatives. He has also served as a Senior Program Manager at the International City/County Management Association, leading international research efforts on artificial intelligence in public service delivery and supporting local leaders in developing inclusive policy strategies.

In addition to his public sector experience, Kaelan is an adjunct lecturer in political science and public policy and serves as a founding board member of CivicsEDU, a Charlotte-area nonprofit committed to improving civic literacy in schools and communities across the Central Carolinas.

Kaelan holds a Master of Public Administration and a Bachelor of Arts in Political Science from Columbus State University and is currently pursuing a Ph.D. in Public Policy and Administration at Old Dominion University. His academic work complements his professional focus, with strengths in fiscal strategy, stakeholder engagement, data analysis, and organizational development.

Specialties

- Citizen engagement
- Legislative affairs
- Organizational assessment
- Strategic planning
- Participatory budgeting
- Policy analysis and implementation
- Program management
- Public-private partnerships

Professional History

- Raftelis: Consultant (2025-present)
- Columbus State University: Adjunct Professor (2024- present)
- International City/County Management Association: Senior Program Manager (2023- 2025)
- Mecklenburg County, NC: Management and Budget Analyst (2020- 2023)
- Columbus Consolidated Government: Chief of Staff/Legislative Liaison (2019-2020), Budget and Management Analyst (2016- 2019)

Education

- Doctor of Philosophy (candidate) in Public Administration and Policy - Old Dominion University (2025)
- Master of Public Administration - Columbus State University (2018)
- Bachelor of Arts in Political Science - Columbus State University (2015)

Professional Memberships

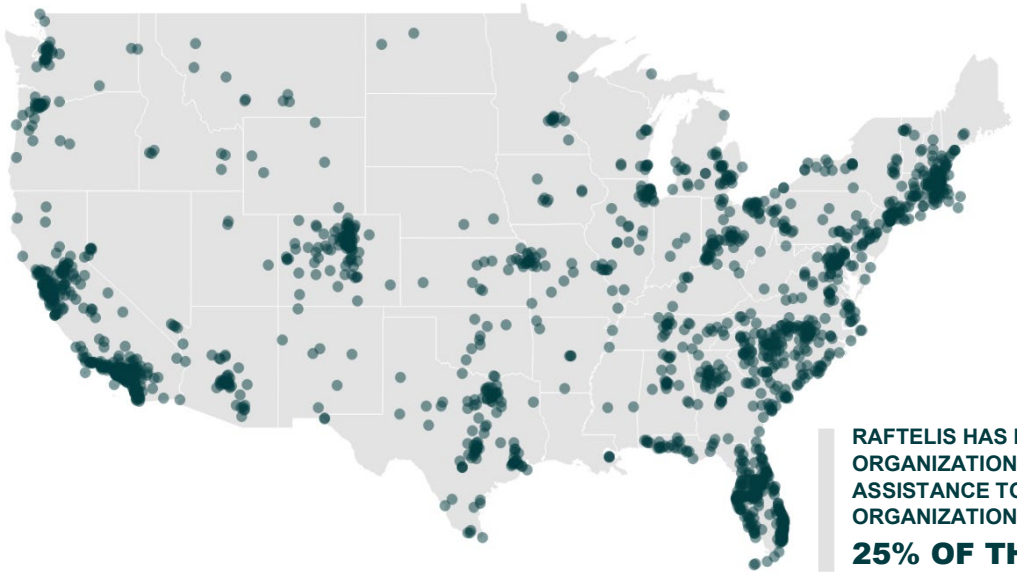
- Emerging Local Government Leaders (ELGL)
- International City/County Management Association (ICMA)
- National Forum for Black Public Administrators (NFBPA)
- Project Management Institute

SECTION 3. – REFERENCES

Section 3. – References

RAFTELIS HAS THE MOST EXPERIENCED PUBLIC UTILITY FINANCIAL AND MANAGEMENT CONSULTING PRACTICE IN THE NATION.

Our staff has assisted more than 1,700 local government agencies and utilities across the U.S., including some of the largest and most complex agencies in the nation. In the past year alone, Raftelis worked on more than 1,300 financial, organizational, and/or technology consulting projects for over 700 agencies in 47 states, the District of Columbia, and Canada. Raftelis has assisted hundreds of local governments across the country. We have worked with organizations over multiple years and established long-term partnerships to build capacity and lasting improvements throughout an organization. We have become trusted advisors to these local governments, as outlined in the following references.



RAFTELIS HAS PROVIDED FINANCIAL/ ORGANIZATIONAL/TECHNOLOGY ASSISTANCE TO PUBLIC SECTOR ORGANIZATIONS SERVING MORE THAN **25% OF THE U.S. POPULATION.**

City of Santa Clara CA

Reference: Damon Sparacino, Parks and Recreation Director / P: 408.615.226 / E: DSparacino@SantaClaraca.go
1500 Warburton Avenue, Santa Clara, CA 95050
Duration: July 2025 – Present

The City of Santa Clara (City) engaged Raftelis to conduct a comprehensive organizational and operational assessment of its Parks and Recreation Department. The assessment evaluated departmental structure, staffing levels, and service delivery models across parks maintenance, recreation programming, facilities management, and community services to ensure alignment with City goals, community expectations, and adopted service standards. The City sought to better position the Department to respond to growing and evolving recreational demands, optimize staffing and resource allocation, and enhance operational efficiency. Recommendations addressed workload and staffing alignment, programming mix and cost recovery, maintenance practices, and opportunities to improve service delivery, equity, and long-term sustainability across the Department.

City of Arroyo Grande CA

Reference: Matt Downing, City Manager / P: 805.473.5400 / E: mdowning@arroyogrande.org
300 E. Branch Street, Arroyo Grande, CA 93420
Duration: December 2024 - April 2025

The City of Arroyo Grande (City) engaged Raftelis to perform a high-level organizational assessment of its City Manager's Office, Legislative and Information Services, Administrative Services, Community Development, Recreation Services, and Public Works Departments. The City sought to align organizational structure and staffing levels with City goals and service levels. The recommendations considered economic development resources and programming to support revenue growth, optimal staffing to meet administrative workload demand, and opportunities for operational efficiency across all departments evaluated.

City of Richmond CA

Reference: Nickie Mastay, Deputy City Manager/ P: 510.620.6609 / E: nickie_mastay@ci.richmond.ca.us
450 Civic Center Plaza, Richmond, CA 94804
Duration: July 2023 - June 2024

In 2023, the City of Richmond (City) engaged the firm to perform a Citywide staffing analysis. Richmond, located in the Bay Area northeast of San Francisco, is a City of 120,000 with over 700 authorized staff positions. Our team conducted interviews across all departments, including Executive and Internal Services, including Finance, Public Works, Community Development, Community Services, Economic Development, Police, and Fire. We presented our observations and recommendations to the City Council, which included specific staffing and operating efficiency recommendations across all operating departments.

City of Fort Collins CO

Reference: LeAnn Williams, MS CPRE, Recreation Director / P: 970.221.6354 / E: lewilliams@fcgov.com
300 LaPorte Avenue, Fort Collins, CO 80521
Duration: February 2022 - August 2022

In 2022, the City of Fort Collins (City) engaged Raftelis to provide an operational and program plan for its Recreation Department. The project included meetings with external stakeholders, data and document review, tours and inspections of all parks and recreation facilities, and a review of asset management and the Master Plan to determine improvements that would impact future budgeting and align with current and future community needs. In addition, Raftelis reviewed the cost recovery program to determine program cost recovery levels, review standards, and identify and articulate community expectations. Based on this analysis and a review of industry standards and best practices from the National Recreation and Parks Association (NRPA), our team developed recommended cost recovery standards for each program offering. Our team also reviewed staffing levels and operational improvements to increase efficiency and effectiveness throughout the Department.

Pinellas County FL

Reference: Paul Cozzie, Director / P: 727.582.2502 / E: pcozzie@pinellascounty.org
12520 Ulmerton Road, Largo, FL 33774
Duration: January 2020 - August 2022

In 2021, Pinellas County engaged Raftelis to conduct a service level and staffing assessment of the Parks and Conservation Resources Department (PCRD). The goal of this assessment was to identify the current service level for park maintenance, customer service/enforcement, and operations; compare services with best practices guidelines; and define the staffing and resources required to meet service level goals. The project team applied a multi-faceted analytical process that included extensive employee engagement, best practices research, and workload and labor hour profile analysis. The project team completed management and staff interviews, focus groups, and site visits. A wide variety of data was analyzed to define, for each park and each park asset, the labor hours required to complete ongoing and recurring tasks and special projects. This was compared to the labor hours required to achieve existing service levels and account for employee leave and vacancies. Service levels were then compared against best practices guidelines from industry organizations, such as the National Recreation and Park Association (NRPA), and benchmark organizations that operate in a similar climate, provide comparable services, and strive for best practices service levels in the area of park maintenance, customer service, and enforcement.

City of Aspen CO

Reference: Diane Foster, Deputy City Manager / P: 970.920.5000 / E: diane.foster@aspen.gov
130 S. Galena Street, Aspen, CO 81611
Duration: January 2018 - June 2024

The City of Aspen (City) engaged the firm to conduct an organizational assessment of the Parks and Recreation Department (Department). We conducted individual interviews with Department staff as well as staff from internal service departments in the City that work closely with the Parks and Recreation Department, including Human Resources (HR), Finance, and Information Technology. Our team completed interviews with more than 50 department personnel in each program area and toured the City's park and facilities infrastructure. We reviewed data provided by the Department related to its structure, operations, practices, procedures, and workload. This information was analyzed to identify the Department's workload demands and service standards and to determine opportunities for enhancing the efficiency and effectiveness of the Department. We also administered an employee survey as a mechanism to provide all employees with the opportunity to confidentially share their thoughts and ideas regarding the Department's culture, leadership, growth and development opportunities, and other areas.

Section 4. – Proposed Methodology

The City of Gilroy is at an important inflection point. Over the past decade, the community has experienced sustained population growth and increasing expectations for public services, while the organization continues to operate within real and well-documented fiscal, staffing, and operational constraints.

The City has emerged from the COVID-19 period with renewed stability, strong financial policies, and a clear emphasis on long-term planning, infrastructure investment, and thoughtful service delivery. At the same time, City leadership has acknowledged that growth is stretching existing resources and that future success will depend on making informed, strategic decisions about how services are structured, staffed, and delivered.

Within this context, the City is seeking a professional consultant to assist with a holistic assessment of the Recreation Division within the Administration Department. This assessment is not intended to be a narrow program review or a purely aspirational planning exercise. Rather, it is an opportunity to take a clear-eyed, data-informed look at the Division's organizational structure, staffing model, business processes, use of technology, programs, facilities, and financial practices to ensure the Recreation Division is positioned to meet both current community needs and future service demands in a sustainable and equitable manner.

Our team brings extensive experience working with local governments—particularly in California and the western United States—supporting organizations that are balancing growth, service expectations, and limited resources. We understand that meaningful improvement does not come from importing generic best practices or applying one-size-fits-all solutions. The most innovative ideas are ineffective if they cannot be implemented, sustained, or supported by staff, leadership, and the community. For that reason, our approach emphasizes practical, implementable solutions that align with the City's culture, financial realities, labor environment, and policy direction.

A defining strength of our work is our ability to build upon existing capabilities and help organizations view their operations from a different, constructive perspective. We begin by listening—carefully and intentionally—to staff, leadership, and stakeholders to understand what is working well, where challenges exist, and what constraints must be respected. We do not arrive with pre-packaged recommendations, nor do we attempt to force organizations into a standardized model. Instead, we tailor our analysis and recommendations to the specific context of the community and organization, ensuring that proposed improvements are both achievable and meaningful.

Equally important, we approach this engagement with a deep respect for the City's employees and the work they do every day to serve the public. We assume good intent, value institutional knowledge, and view staff as essential partners in identifying opportunities for improvement. This collaborative approach is critical to developing recommendations that are embraced by the organization and successfully implemented over time. Our prior engagements have consistently resulted in clients taking action on the recommendations developed—because those recommendations were grounded in reality, informed by staff input, and supported by clear implementation pathways.

We are excited about the opportunity to assist the City of Gilroy in proactively planning for the future of its Recreation Division. We believe that our experience across all facets of local government operations, combined with our disciplined focus on actionable outcomes and phased implementation, uniquely positions us to support the City in delivering a Recreation Division Assessment that informs decision-making, supports long-term sustainability, and enhances the quality of life for the Gilroy community.

THE FOLLOWING DETAILS THE PROPOSED WORK PLAN FOR THE CITY.

Activity 1: Initiate Engagement

Raftelis will initiate the Recreation Division Assessment through a structured project start-up process designed to confirm shared objectives, establish governance and communication protocols, and align the study with the City's operational, financial, and policy priorities.

We will conduct a formal **project kick-off meeting** with City leadership and the Project Manager to confirm the purpose, scope, success measures, and expectations for the assessment; review the proposed work plan and schedule; and discuss the City's priorities related to Recreation Division service delivery, organizational effectiveness, equity, and long-term sustainability. This discussion will also include an initial review of perceived strengths, challenges, and opportunities associated with current recreation programs, staffing, facilities, financial practices, and operational systems.

To begin engaging internal stakeholders early in the process, Raftelis will facilitate a **kick-off meeting with Recreation Division leadership** to review the project approach, anticipated engagement activities, decision points, and deliverables. Following this group session, we will meet individually with core project team members to understand their roles, expectations, and perspectives, and to confirm how they will participate throughout the study.

Raftelis will issue a comprehensive **document and data request** aligned with the RFP requirements, including but not limited to: organizational charts, job descriptions, staffing schedules, budgets and financial reports, fee schedules, cost recovery practices, participation and utilization data, facility inventories and condition information, prior plans and studies (including the 2020 Recreation and Facility Needs Assessment), policies and procedures, performance metrics, and relevant labor agreements. An electronic project workspace will be provided to facilitate efficient document sharing.

Throughout the engagement, Raftelis will maintain regular communication with City staff through structured status updates and ongoing informal coordination. This approach ensures schedule and budget adherence, early identification of issues, and iterative discussion of emerging findings, supporting a collaborative and transparent process.

Meetings:

- Project Kick-off meeting
- Kick-off with Recreation leadership

Deliverables:

- Kick-off meeting agenda
- Data/document request

Activity 2: Staff and Stakeholder Engagement

To develop a comprehensive understanding of the Recreation Division's current operations, service delivery model, and organizational context, Raftelis will conduct a structured series of qualitative engagement activities, including interviews, focus groups, and onsite observations. These activities are designed to capture perspectives from Division leadership and staff, internal City partners, and external customers and partner agencies.

Our team will conduct **three days of in-person, confidential one-on-one interviews** with Recreation Division leadership and staff, including all four full-time positions. These interviews will focus on roles and responsibilities, staffing capacity, workload distribution, program and facility operations, use of technology, business processes, coordination with other departments, and perceived strengths, challenges, and barriers to effective service delivery. Discussions will also address policy constraints, labor considerations, risk management practices, and service level expectations.

To broaden staff input and validate emerging themes, Raftelis will facilitate **up to four focus group sessions with a cross-section of Recreation Division staff**. These sessions will provide additional insight into day-to-day operational realities, opportunities for improvement, and alignment between organizational structure, staffing, and service demands. Focus groups may be conducted in person or virtually, based on staff availability and preference.

Consistent with the RFP's emphasis on stakeholder engagement and community input, Raftelis will also dedicate **two days to engaging external customers and partner agencies** that interact regularly with the Recreation Division. These sessions will be structured as facilitated focus groups with recreation program participants, community partners, and external agencies, and will focus on service quality, accessibility, responsiveness, coordination, and unmet or emerging community needs.

Recognizing that external stakeholders often prefer virtual participation due to scheduling and accessibility considerations, these customer and partner agency focus groups will be conducted **virtually whenever feasible**. However, Raftelis will make team members available **in person for participants who prefer or require an in-person option**, ensuring inclusive and meaningful participation.

In addition to facilitated discussions, the project team will conduct **onsite tours of key Recreation Division facilities** to better understand operational requirements, facility condition, utilization patterns, accessibility, and alignment with community needs and program delivery expectations.

Meetings:

- On-site interviews with Division leadership
- On-site or remote focus groups with staff
- Customer/stakeholder interviews

Deliverables:

None

Activity 3: Operational Assessment

Building on the information gathered during project initiation and engagement, Raftelis will conduct a comprehensive assessment of the Recreation Division, integrating organizational, financial, programmatic, facility, and technology analyses consistent with NRPA best practices and CAPRA accreditation standards.

Organization Structure

Raftelis will evaluate the Recreation Division's organizational structure and governance model to assess its effectiveness in supporting current and future service delivery. This analysis will examine reporting relationships, spans of control, supervisory capacity, role clarity, communication and coordination, alignment with Citywide governance, and the use of performance metrics and accountability systems. We will identify opportunities to improve efficiency, oversight, and organizational resilience while positioning the Division to meet evolving community needs.

Best Practices and Benchmarking

Raftelis will also evaluate the performance of the Divisions as it compares to industry standards of performance. The resulting diagnostic provides a quick and objective overview of both the quantitative and qualitative work activities of the Divisions. We have developed industry best practices in many areas of local government service. This information was developed from our previous work with professional associations and industry groups, as well as other sources.

We will compare and contrast management practices in the Divisions with the best practices of other successful organizations and apply relevant trends in operations and staffing as appropriate. We will also review Division performance against professional association standards, such as NRPA CAPRA accreditation standards.

We will reach out to 5-7 peer communities identified by the project team in Activity 1. Using publicly-available information, we will compare the Division's staffing and cost recovery with its peers as a means to identify major outliers and identify issue areas requiring additional research. We will compare programming offerings against peers and compare with demographic information to identify any underserved populations.

Staffing and Workforce Analysis

Raftelis will assess current and future staffing needs using a holistic approach that considers service levels, program demand, budgetary capacity, workforce skills, scheduling practices, and the use of part-time, seasonal, contracted, and volunteer resources. The analysis will identify staffing efficiencies, training and professional development needs, succession planning considerations, and options for aligning workforce capacity with service priorities.

Technology and Maintenance

Consistent with the RFP, Raftelis will evaluate the Recreation Division's use of technology to support registration, scheduling, reporting, and performance measurement, identifying opportunities for operational efficiencies and improved data-driven decision-making. We will also review facility and capital considerations relevant to recreation service delivery, including key assets such as the Wheeler Center and Christopher High School Aquatics Center, and assess their ability to meet current and future community needs in coordination with the City's prior facility assessments.

Following completion of the preliminary analysis, Raftelis will facilitate a **working session with City staff** to present initial observations and draft recommendations. This session will confirm assumptions, refine findings, and identify any additional analysis needed prior to finalizing recommendations.

Additional follow-up on issues or analysis will be conducted as needed.

Meetings:

- Presentation of preliminary observations and recommendations
- Follow-up conversations as needed

Deliverables:

- Preliminary observations and recommendations slide deck

Activity 4: Prepare Project Deliverables

Upon completion of the analysis and refinement of recommendations, Raftelis will prepare a **draft comprehensive assessment report**. The report will include an executive summary, a description of the project methodology, and a detailed narrative of findings related to governance, staffing, programs, finances, facilities, technology, equity, and service delivery. Recommendations will be clearly justified, data-supported, and aligned with NRPA/CAPRA standards and peer benchmarking.

The draft report will be provided to the City for review. Raftelis requests one consolidated set of comments from the City to ensure efficient incorporation of feedback. Following receipt of comments, we will prepare the **final report**. The final report will include a detailed **Implementation Roadmap**, identifying priority actions, phasing, timelines, responsible parties, and resource considerations to support successful implementation by the Recreation Division and the City.

Raftelis will present the final findings and recommendations to City leadership and, as requested, to the City Council in a virtual or in-person setting. Presentation materials will be designed to support policy discussion and informed decision-making.

Meetings:

- Presentation of report (virtual or in-person)

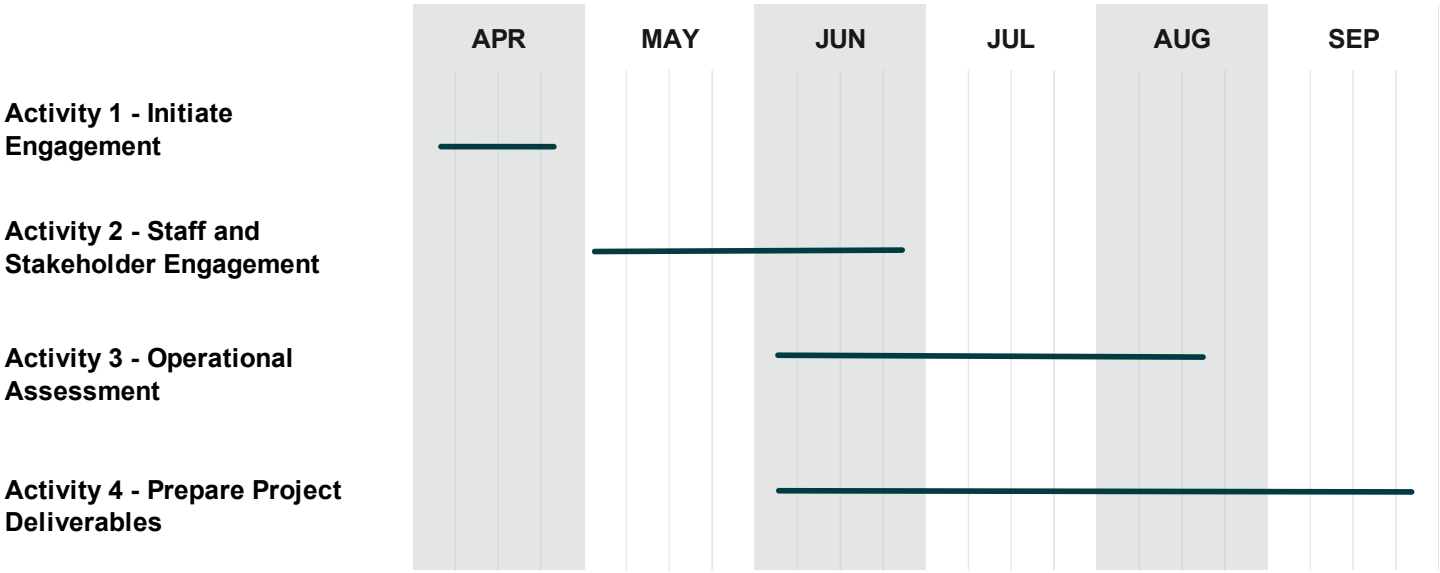
Deliverables:

- Draft and final report
- Implementation Roadmap
- Presentation slide deck

SECTION 5. – PROPOSED TIMELINE

Section 5. – Proposed Timeline

A proposed project schedule is provided below. We expect to review and refine this with the City during Activity 1.



SECTION 6. – PRIOR WORK SAMPLES

Prior Work Samples

To demonstrate our experience conducting comprehensive recreation department assessments comparable in scope, complexity, and strategic intent to the City of Gilroy's Recreation Division Assessment, we are pleased to provide a prior work sample from our 2022 Recreation Department Assessment for the City of Fort Collins, Colorado. This engagement involved a full-spectrum evaluation of recreation programs, staffing and organizational structure, financial sustainability and cost recovery, facilities and capital needs, community engagement, and alignment with NRPA best practices. The project included extensive staff and stakeholder interviews, peer benchmarking, program portfolio analysis, and development of a phased, implementation-focused roadmap to support policy and operational decision-making.

The linked materials include the final report and supporting presentation documents, which reflect the analytical rigor, clarity of recommendations, and implementation orientation we would bring to the City of Gilroy.

Fort Collins Recreation Department Operational and Program Plan

SECTION 7. – PRICING

Section 7. – Pricing

The total fixed fee to complete the scope of work outlined in this proposal is $99,200 which includes all professional fees and expenses, including travel.

A breakdown of hours and costs by project activity is provided in the table below.

Activity	Description	Estimated Labor Hours	Cost
1	Initiate Engagement	32	$10,000
2	Staff and Stakeholder Engagement	96	$32,200
3	Operational Assessment	104	$30,000
4	Prepare Project Deliverables	88	$27,000
	TOTAL	**320**	**$99,200**

Hourly rates by team member job classification are provided below.

Classification	Hourly Rate
Executive Vice President	$425
Senior Vice President	$400
Vice President	$375
Senior Manager	$340
Manager	$295
Senior Consultant	$260
Consultant	$230
Associate	$195
Visual Facilitator	$195

It is our practice to invoice clients for monthly progress payments based upon work completed.

ATTACHMENT A – CONTRACT REQUIREMENTS ACKNOWLEDGEMENT

I, Jonathan Ingram, declare as follows:

That I am the Vice President (Title), of Raftelis Financial Consultants, Inc. (Company)

the Consultant making the attached proposal; and that I have read the sample Agreement for Services (Attachment B), including the insurance & indemnification requirements contained therein, and hereby state that I understand and am willing to abide by, and can meet the requirements of the contract, including insurance and indemnification requirements, without modification thereto, should my firm be selected for a project or projects based on my qualifications and proposal, assuming a mutually agreeable scope, fee, and schedule can be established.

I understand that the attached sample agreement is the current version used by the City of Gilroy. The standard agreement for Professional Services is currently being updated, and a new version may be used by the time the agreement resulting from this RFP is executed.

Signed this 6th day of February, 2026

By

Title: Vice President

Attachment B - Wage Theft Form

Wage Theft Prevention Policy Statement

It is the policy of the City that all parties contracting with the City must comply with all applicable federal, state and local wage and hour laws including but not limited to the Federal Fair Labor Standards Act ("FLSA") and the California Labor Code. Suitable language regarding this requirement should be in all contracts.

1. **Disclosure**. As a part of any City solicitation for goods and/or services, including public works projects, contractor shall complete a "Bid Certification" ("Certification") that requires each potential contractor to disclose whether the contractor has been found by a court or final administrative action of an investigatory government agency to have violated federal, state, or local wage and hour laws within the past five (5) years from the date of the submitted bid or proposal.

2. **Disqualification.** The City MAY disqualify a potential contractor based on the disclosed violation.

3. **Contract Termination**. A current contractor found by a court or by final administrative action of an investigatory government agency to have violated applicable wage and hour laws, in the five (5) years prior to or during the term of the contract with the City, may be in material breach of its contract with the City if the violation is not fully disclosed and/or satisfied per City contract requirements. Such breach may serve as a basis for contract termination and/or any other remedies available under law, including a stipulated remediation plan.

I, Jonathan Ingram, certify that (Business Name) Raftelis Financial Consultants, Inc.

☐ ***Has***

☒ ***Has Not***

been found by a court or by final administrative action of an investigatory government agency to have violated applicable wage and hour laws on more than one (1) occasion or has one (1) unpaid wage judgment.

For each disclosed violation, please provide a copy of (i) the court order and judgment and/or final administrative decision; and (ii) documents demonstrating either that the order/judgment has been satisfied, or if the order/judgment has not been fully satisfied, a written and signed description of potential contractor's efforts to date to satisfy the order/judgment. The completed Certification shall be submitted by the potential contractor to the City as a part of its bid or proposal.

Signature and Date: Jonathan R. Ingram 2.6.2026

City of Gilroy

Administration Department

Request for Proposals
Recreation Division Assessment

No. 26-RFP-AD-531

ATTN: KATTY ALVAREZ
CITY OF GILROY
7351 ROSANNA STREET
GILROY, CA 95020-6197

Proposals Due by: 4:00 pm, Friday, February 6, 2026

Request for Proposal
No. 26-RFP-AD-531

Notice is hereby given that the Purchasing Coordinator of the City of Gilroy at 7351 Rosanna Street, Gilroy, CA 95020-6197 will receive proposal submittals via e-mail. The City of Gilroy is soliciting proposals from firms to conduct a **comprehensive assessment of the Recreation Division** and provide recommendations to enhance its operational effectiveness and service offerings, as described in the attached **Request for Proposals (RFP) 26-RFP-AD-531**. Submittals will be accepted up until **4:00 PM, PST, Friday, February 6, 2026,** via e-mail to the address specified in this RFP. Proposals received after that time and date will not be considered. The City of Gilroy accepts no responsibility if delivery is made to another e-mail address other than those specified within this RFP. An evaluation team will review submitted proposals and select the best-qualified firm based on the evaluation criteria and selection process outlined in the RFP. The chosen consultant will then be recommended to the City Council for the awarding of an agreement to conduct the work.

A free electronic copy of the RFP can be obtained by going to the City of Gilroy website and selecting bid opportunities under the Business and Development Services Tab, or directly at the following link: http://www.cityofgilroy.org/Bids.aspx.

Respectfully Requested,
Katty Alvarez
Purchasing Coordinator

RFP No. 26-RFP-AD-531

Request for Proposals for a Recreation Division Assessment

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Introduction

The City of Gilroy (City) is seeking proposals from qualified firms (Consultants) to assess the City's Recreation Division within the Administration Department and to provide recommendations to enhance its operational effectiveness, the services it offers to residents, and to plan for the future growth of the recreation functions of the City.

The City of Gilroy is a charter city located in southern Santa Clara County with a population of approximately 60,000. The City is a council-administrator form of government, with the mayor elected at large for a four-year term and six City Councilmembers elected at large for four-year terms. However, it is transitioning to district-based elections for the six councilmember seats.

Information regarding the City and its organization, such as governmental structure, services provided, the Current Operating and Capital Budgets, Annual Financial Reports, and the most recent Comprehensive Fee Schedule, is available on the City website at www.cityofgilroy.org

The Recreation Division offers a wide array of services to meet residents' recreational needs. The Recreation Division provides the following community services:

- Offers free and fee-based programs to residents of all ages and all interests.
- Connects seniors with free, vital services such as tax preparation, free bimonthly groceries, daily lunch, transportation, and social services.
- Supports disadvantaged and low-income families by partnering with other governmental agencies and local community organizations.
- Provides logistical support during a local emergency.

The Recreation Division also publishes a seasonal recreation guide in English and Spanish, three times a year, and sends it to all Gilroy households. Recreation communicates with the community through a monthly e-newsletter, social media, school flyers, and tabling at special events.

The Recreation Division has a staff of four full-time positions (Recreation Manager, Recreation Supervisor, Recreation Coordinator, and Office Assistant). Additionally, there are 10 ongoing part-time positions and 10 seasonal part-time positions that provide direct service and programming. Recreation also relies on contract activity and class providers to deliver many of the programs the community desires.

The City commissioned a Recration and Facility Needs Assessment, which commenced before the COVID Pandemic and was completed in 2020 during the Pandemic. The report can be found at this **link**.

Project Description

The City seeks qualified consulting services to conduct a comprehensive, data-driven assessment of its Recreation Division to inform future policy, operational, financial, and capital decisions. This project intends to evaluate current recreation programs, staffing, facilities, finances, governance, and service delivery models; identify gaps between community needs and existing services; and develop clear, actionable recommendations that enhance effectiveness, equity, sustainability, and alignment with industry best practices.

The selected Consultant will engage City leadership, staff, and the community to assess recreational needs, participation patterns, and barriers to access; benchmark performance against comparable agencies and National Recreation and Park Association (NRPA) standards, including CAPRA accreditation criteria; and evaluate staffing structures, cost recovery practices, program portfolios, facilities, and operational systems.

The final outcome will be a prioritized implementation roadmap, supported by data, benchmarks, and community input, that provides City staff and the City Council with clear policy options, investment strategies, and near- and long-term actions. Deliverables will include financial and organizational analyses, program and facility assessments, performance metrics, policy frameworks, and a comprehensive final report and presentation suitable for City Council consideration, enabling informed decision-making and sustainable delivery of recreation services over the next several years to decades.

Issuing Office

The Finance Department is the Issuing Office, and the City Administrator's Office is the Project Manager for this Request for Proposal (RFP). Contact the Finance Department for all process questions and protests. Contact the City Administrator's Office for contract questions.

Issuing Office
Finance Department
Katty Alvarez
Finance Analyst
7351 Rosanna Street
Gilroy, CA 95020
katty.alvarez@cityofgilroy.org

Project Manager
City Administrator's Office
Kylie Katsuyoshi
Management Analyst
7351 Rosanna Street
Gilroy, CA 95020
kylie.katsuyoshi@cityofgilroy.org

Anticipated RFP Schedule

The Administration Department anticipates the following general timeline for this RFP, and the schedule may change as necessary.

Issuance of RFP documents	December 18, 2025
Deadline for RFP questions and comments, submitted by e-mail to kylie.katsuyoshi@cityofgilroy.org, with a copy to katty.alvarez@cityofgilroy.org.	5:00 p.m. PST, January 23, 2026
Response to questions available on the website	5:00 p.m. PST, January 26, 2026
Deadline for proposal submission	4:00 p.m., PST, February 6, 2026
Completion of submission review and issuance of Notice of Intent to Award	February 12, 2026
Consultants to sign the contract and provide all required attachments by	February 20, 2026

Council award contract at the regular City Council meeting, if required	February 23, 2026

Submission Date and Location

Each responding Consultant must provide one electronic copy of their proposal in PDF format to katty.alvarez@cityofgilroy.org and kylie.katsuyoshi@cityofgilroy.org. The e-mail shall be entitled with the Consultant's name and "Recreation Assessment". The proposals must be received by the City issuing office via e-mail by the Deadline for Proposal Submission, as defined above.

Solicitation Documents and Changes (Addenda)

All solicitation documents may be viewed or printed online from the City's website at https://www.cityofgilroy.org/Bids.aspx or may be viewed onsite at the Issuing Office at the address listed above.

Proposals received from other sources will not be considered valid documents. Please contact the Issuing Office listed above if you have any problems viewing the solicitation documents.

All questions regarding this solicitation shall be submitted in writing via e-mail. The questions will be researched, and the answers will be communicated to all known interested Consultants and posted on the City's website after the deadline for question submissions.

Prospective Consultants shall not contact City officers or employees with questions or suggestions regarding this solicitation except through the primary contact person listed above. Any unauthorized contact may be considered undue pressure and cause for the disqualification of the Consultant.

Consultants are responsible for checking the City's website for the issuance of any addenda prior to submitting a proposal. The Consultant is held responsible for all addenda/changes to the documents and may be considered non-responsive if their proposal does not reflect those addenda/changes.

Protests

Any complaints or perceived inequities related to this RFP shall be made in writing and directed to the Issuing Office at the address listed above and in accordance with the City's purchasing policy. This policy may be found on the City's website, located here: https://www.cityofgilroy.org/DocumentCenter/View/10774/Gilroy-Purchasing-Policy-.

Rejection of Proposals

The City reserves the right to reject any and all proposals submitted. The City also reserves the right to waive or not waive any informalities or irregularities in proposal responses.

Partial Funding or Award

The City reserves the right to fund only a portion of the total funding identified in its sole discretion. The City may make a partial award of an amount it determines to be appropriate, based on the financial resources available and operational considerations.

Modification / Withdrawal

Unless otherwise specified, modification of the Proposal will not be permitted; however, a Consultant may withdraw their Proposal at any time before the scheduled closing time for receipt of Proposals; any Consultant may withdraw their Proposal, either personally or by written request to the Issuing Office. Withdrawal of the Proposal shall not disqualify the Consultant from submitting another Proposal, provided the time for receipt of Proposals has not expired.

Cancellation

The City reserves the right to cancel the award of this contract at any time before execution of the contract by both parties if cancellation is deemed to be in the City's best interest. In no event shall the City have any liability for the cancellation of the award.

Duration of Proposals

Proposals must remain valid for at least 120 days. Proposals must be signed by an official authorized to bind the Consultant.

Public Record

All submitted proposals are the property of the City and constitute public records. All documents received by the City are subject to public disclosure after the City selects a Consultant.

Incurring Costs

The City is not liable for any cost incurred by Consultants prior to execution of a contract.

Selection Process

The City reserves the right to select the Consultant based on the proposals, or to conduct interviews with the highest-qualified Consultant(s) following the evaluation and scoring of the proposals, whichever is determined to best serve the needs of the City. The City reserves the right to seek clarifications on any or all proposals.

Eligible Applicants

The City is requesting proposals from experienced consulting firms to complete the assessment. To ensure the highest quality of the Consultant's responses and to facilitate the fair and objective evaluation of those responses, this document provides guidance to all potential Consultants regarding the scope/requirements and the format and content requirements for vendor proposal submissions. A detailed Scope of Work is below.

Scope of Work Requirements

The Consultant shall conduct a comprehensive and exhaustive analysis of the Division's existing operations, service levels, offerings, staffing levels, and all other aspects of the Division's operations and services. The Scope of Work tasks and deliverables are provided below:

1. Project Initiation, Background Review, & Governance
    a. Meet with City leadership, Recreation staff, and other stakeholders to understand goals and expectations. Confirm goals, success metrics, project schedule, and communication plan.

b. Collect and review existing documents, including budgets, fee schedules, staffing structures, organization charts, prior plans and studies, participation data, facility condition information, and policies.
c. Map current policies against the National Recreation and Park Association's (NRPA's) Commission for Accreditation of Park and Recreation Agencies (CAPRA) standards to identify gaps and quick wins (governance, planning, finance, human resources, risk, operations).
d. Deliverables:
    i. Project work plan and schedule.
    ii. Stakeholder map.
    iii. Communications and engagement plan.
    iv. CAPRA gap summary, noting which standards are fully/partially met and priority fixes.

2. Community Engagement and Needs Assessment
    a. Design and administer a mixed-methods engagement: resident survey, intercept/on-site surveys, focus groups (youth, seniors, underserved areas, etc.), partner interviews.
    b. Follow NRPA's survey guidance (sampling, admin modes, actionable question design).
    c. Collect input on satisfaction, unmet needs, and desired future services.
    d. Ensure representation from diverse community groups.
    e. Deliverables:
        i. Engagement plan and instruments (survey tool, discussion guides).
        ii. Engagement finding report: Satisfaction, unmet needs, barriers (cost, location, time, language), priorities by demographic and geography.
        iii. Updated needs assessment report.
3. Staffing and Organization Assessment
    a. Analyze structure, spans/layers, role clarity, workload, scheduling, and training.
    b. Benchmark staffing ratios with NRPA/California Park & Recreation Society (CPRS) national/state municipal peers (per capita, per facility/acre where applicable).
    c. Assess alignment between staffing and service delivery needs.
    d. Identify workforce development and succession planning needs.
    e. Provide recommendations on staffing efficiencies, training needs, and future workforce planning.
    f. Deliverables:
        i. Organization assessment memo with options (no-cost, low-cost, investment scenarios), updated organizational chart, role definitions, and training plan.
        ii. Peer benchmark table (City vs NRPA medians/quartiles).
4. Financial Analysis, Cost Recovery, and Fee Policy
    a. 3–5 year trend analysis: revenues, expenditures, subsidies, and cost recovery by program/facility.
    b. Develop a Cost Recovery & Resource Allocation Policy (e.g., Pyramid Method: who benefits/who pays), and align fee schedule and scholarship strategy.
    c. Benchmark fees and cost-recovery targets (e.g., San José PRNS examples of fee/cost-recovery governance).
    d. Identify opportunities for increasing revenues (fees, partnerships, sponsorships, grants).
    e. Assess financial sustainability of significant programs (referring to program size) and facilities.
    f. Deliverables:

i. Financial analysis with revenue/expenditure trends and recommendations for cost recovery.
ii. Financial dashboard (trends, margins by line of business, subsidy per participant).
iii. Draft Cost Recovery Policy with category targets, methodology, and annual update process.
iv. Draft fee schedule adjustments and equity supports.

5. Program and Service Portfolio Review (Lifecycle and Alignment)
    a. Analyze participation levels, demographics served, and program utilization.
    b. Identify gaps in programming relative to community needs.
    c. Assess program quality and alignment to values (equity, access, youth development, senior services, etc.).
    d. Conduct a program lifecycle analysis (introduce/grow/mature/decline) to right-size the portfolio; evaluate alignment with mission, equity, demand, and margins.
    e. Compare offerings to peer agencies; identify gaps (e.g., adults, teens, seniors, adaptive rec, etc.), schedule balance, and access (time/location).
    f. Recommend adds, retires, partnerships, and pricing strategies.
    g. Deliverables:
        i. Program and services evaluation summary.
        ii. Program portfolio matrix (demand, equity, cost recovery, lifecycle stage) with action recommendations and 12–24-month pilot plan.
6. Facilities, Asset Management, and Capital Needs
    a. Indoor and Outdoor Facility inventory and condition assessment: age, systems condition, accessibility, capacity/utilization, lifecycle, and replacement values.
    b. LOS (level-of-service) and access analysis (catchment, coverage, underserved areas); align with NRPA master-planning best practices.
    c. Identify ADA/Title II and safety issues; evaluate operating model efficiency for major venues (e.g., aquatics, community centers).
    d. Identify capacity constraints and deferred maintenance.
    e. Assess alignment of facilities with community needs and future growth.
    f. Recommend priorities for capital improvements and potential new facilities.
    g. Deliverable: Facility needs assessment report.
    h. Deliverables:
        i. Facility needs assessment report.
        ii. Facility assessment book with inventory tables, condition scores, utilization analysis, and repair/replace priorities.
        iii. Capital improvement plan (CIP) roadmap (0–5, 6–10, 10+ years) with order-of-magnitude costs and funding options.
7. Technology, Data, and Business Processes
    a. Audit registration/POS, scheduling, reporting, and data governance; identify pain points (refunds, waitlists, utilization reporting).
    b. Recommend improvements (KPIs, dashboards, data hygiene, privacy practices), and integrations with finance/human resources.
    c. Deliverables:
        i. Systems improvement plan with priority fixes, training modules, and key performance indicator(s) (KPI) dashboards wired to NRPA benchmark categories.
8. Equity, Access and Inclusion

a. Map participation vs. community demographics; analyze barriers (cost, transit, language, digital access).
b. Align pricing/scholarships with the cost-recovery policy to protect access for socio-economically challenged populations.
c. Deliverables:
    i. Equity action plan: sliding-scale/fee assistance model, outreach strategies, language access, mobile/ pop-up programs, and targeted pilots.

9. Partnerships, Sponsorships, and Volunteers
    a. Inventory existing MOUs/agreements (schools, library, nonprofits, leagues); evaluate performance and risk.
    b. Identify new partnership models, shared-use agreements, and a potential sponsorship/naming framework consistent with public ethics.
    c. Assess volunteer program structure and compliance.
    d. Deliverables:
        i. Partnership framework (criteria, templates, performance KPIs) and sponsorship policy outline with approval workflow.
10. Risk Management, Safety, and Operations Standards
    a. Review policies for incident reporting, background checks, aquatic and youth safety, emergency plans, and insurance.
    b. Recommend standard operating procedures (SOPs) and training cadence; note relevant CAPRA standards.
    c. Deliverables:
        i. Operations & safety compliance report with priority SOP updates and training calendar.
11. Performance Measurement and Benchmarking
    a. Build a KPI scorecard aligned with NRPA/CPRS Agency Performance Review metrics (participation per capita, cost per participant, cost recovery, expenditures per capita/acre, maintenance metrics).
    b. Define data collection cadence and public-facing reporting.
    c. Deliverables:
        i. KPI dashboard & definitions; 12-month measurement plan and template quarterly report.
12. Programmatic Mini-Studies
    a. Review and assess the following programming clusters:
        i. Adaptive Recreation.
        ii. Adult Sports/Activities.
        iii. Aquatics.
        iv. Contract Classes.
        v. Senior Services.
        vi. Youth Sports.
        vii. Summer Day Camps.
        viii. Volunteers.
        ix. Reservations/Parks.
        x. Special Events (breakfast with Santa, bike to wherever day, cleanups, etc.).
        xi. Targeted Community Recreation Services (SCYTF/NSU).
        xii. Early Childhood Education (potentially).
        xiii. Fitness/Health (potentially).
        xiv. After School (potentially).

b. Evaluate the following aspects of these program clusters:
    i. Staffing models (internally provided service).
    ii. Alternative service delivery models (outside provided service).
    iii. Programming mix.
    iv. Risk.
    v. Fee strategy/cost recovery models vs. affordability.
    vi. Industry best practices for effective marketing techniques/strategies.
c. Deliverables:
    i. Program report.

13. SWOT Analysis
    a. Identify strengths, weaknesses, opportunities, and threats for the Recreation Division.
    b. Incorporate findings from staffing, financial, program, and facility analyses.
    c. Deliverable:
        i. SWOT analysis document.
14. Growth and Opportunity Identification
    a. Identify short- and long-term opportunities for expanded or improved recreation services.
    b. Explore partnership models (schools, nonprofits, private sector, regional collaboration).
    c. Recommend strategies for sustainable growth.
    d. Deliverable:
        i. Growth opportunities report.
15. Implementation Roadmap and Council Presentation
    a. Provide a comprehensive report that synthesizes findings from all tasks.
    b. Include clear, prioritized recommendations (impact/feasibility), timeline, cost, funding sources, and owners.
    c. Provide an implementation roadmap.
    d. Present findings to City Council and community stakeholders.
    e. Draft policy updates (cost recovery, partnerships, sponsorships, fee schedule).
    f. Prepare briefing materials and presentation to City Council.
    g. Deliverables:
        i. Draft Report for staff review.
        ii. Final report (executive summary and detailed appendices: benchmarks, inventories, engagement findings).
        iii. Phased implementation roadmap (0–6, 6–18, 18–36 months) with budget ranges and decision gates.
        iv. Slide deck and talking points for Council.

Proposal Contents

The Proposal package shall be organized to include the following sections. Each proposal shall have the sections identified below as separate sections in the proposal document. The contents for each section are listed below and must be presented in the same order. Potential Consultants shall be responsible for preparing an effective and clear proposal. Concise proposals without needless duplication are encouraged.

Proposals must be structured, presented, and labeled in the following manner:

- Cover Letter.
    - The firms' proposal must provide a written transmittal of the proposal in the form of a cover letter. A company officer must sign the cover letter, empowered to bind the proposer to the provisions of this RFP and any contract awarded pursuant to it. The cover letter will reference and respond to each of the following bulleted items:
        - Consultant's legal name and corporate structure.
        - A high-level statement of the credentials to deliver the services sought under the RFP.
        - Briefly state the Consultant's understanding of the work to be performed and why the consultant believes it is best qualified to perform the duties and tasks outlined and described in the scope of work contained in this request.
        - Primary contact name, mailing address, e-mail address, and telephone number.
        - Identification of use of subcontractor(s), if any, and scope of work to be performed by subcontractor(s).
        - A statement that the Consultant or any individual who will perform work for the Consultant is free of any conflict of interest (e.g., employment by the City).
        - Statement of acknowledgement that the City's standard agreement has been reviewed and accepted without modification.
        - Signature of a company officer empowered to bind the Consultant to the provisions of this RFP and any contract awarded pursuant to it.
- Table of Contents.
- Executive Summary.
- Section 1. – Company Background.
    - Provide a history of the individual or firm's experience, which specifically addresses the individual or firm's experience in conducting and producing an assessment similar in complexity and scope to that which is listed in the Scope of Work section above.
    - The proposal shall include an organizational chart and describe the organizational structure that is proposed to handle the assessment.
    - Describe the specific types of services that your organization provides.
    - Number of years your organization has been in business.
    - Describe your agency's basic organization and management structure. Be sure to include the number of personnel involved in your organization.
- Section 2. – Company and Project Team Qualifications.
    - Qualifications and Related Experience of Personnel Who Will Perform Work. Résumés of all personnel who are proposed to provide professional services to the City within the Scope of Work outlined and described in this request shall be included. Résumés shall include all relevant experience, education, and other qualifications.
    - Prior Relevant Experience. A description of prior work experience and projects of the company relevant to the Scope of Work outlined and described in this request shall be included.

    - At a minimum, this should include the project manager/principal agent, associates in charge when the project manager/principal agent is unavailable, key personnel, firm size, and an organization chart identifying only those who will perform work for the proposed project and the percentage of each individual's time devoted to this project. The project manager/principal agent shall be the primary point of contact for your firm.
- Section 3. – References.
    - References of Local Government Clients. Please include a list of at least three (3) current and/or previous local government clients, with a preference for those located in California, for which a consultant assigned to the project has rendered professional services similar to the scope of work outlined and described in this request.
    - Describe the project, client name, and the name, title, and telephone number of the primary contact person.
    - References may not be older than 5 years from the deadline of proposal submission.
    - Additionally, provide a list of all local government clients that your firm has completed similar projects for.
- Section 4. – Proposed Methodology.
    - Consultant shall provide a work plan identifying the major tasks and subtasks anticipated by the Consultant associated with the completion of the assessment, including the proposed approach and projected timeline to conduct and complete each item in the Scope of Work.
    - Provide a staffing plan for the assessment project.
    - Provide an outline that demonstrates the firm's understanding of the scope of work. This outline should include the anticipated approach, the tasks necessary for successful completion, the deliverables, and any suggestions or special concerns that the City should be made aware of. Identify any assumptions and/or exclusions used in preparation of the scope of work and associated fee estimate.
- Section 5. – Proposed Timeline
    - Prepare an overall proposed timeline to conduct the assessment. The proposal shall include a timeline to complete the project, based on the Scope of Work and the availability of a skilled labor force. The proposed timeline shall be based on experience with similar engagements and the best available information.
- Section 6. – Prior Work Samples
    - Consultant shall provide at least one prior work sample of an assessment on a Recreation Department or Division. This shall include all components of the assessment, including the final report, any presentation material developed, workpapers used, and other such documents developed for the assessment, which show the experience, quality, and thoroughness of your firm's work in conducting such assessments.
- Section 7. – Pricing
    - Proposal shall have a project cost estimate with justification.
    - Proposal shall include hourly rates for all personnel on the project, and estimated hours and subtotals for each enumerated section of the Scope of Work.

- Proposal should include options for reducing or adding services.

- Section 8. – Additional Information
  - Attachment A – Contract Requirements Acknowledgement Form and Standard Contract Template:
    The proposal shall include a completed and signed copy of the Contract Requirements Acknowledgement Form included with this RFP as Attachment A.
  - Attachment B - Special Policies – Wage Theft Form
    The proposal shall include a completed and signed copy of the Wage Theft Form included with this RFP as Attachment B.

Failure to follow the specified format, to label the responses correctly, or to address all of the subsections may, at the City's sole discretion, result in the rejection of the Proposal.

Proposal Evaluation Criteria and Scoring

Proposal packages will be reviewed and scored according to the criteria below. Based on the number and quality of responses, Consultants may be asked to continue to the interview/presentation step in the process. Each package may receive a maximum of 100 points, as summarized below:

CRITERIA	POINTS
Consultant's experience and qualifications as they relate to the scope of services of the RFP	25
Project methodology and understanding of the assessment needs	25
Staffing plan and team's individual qualifications	20
Prior work example	15
Cost proposal	10
Project Schedule	5
TOTAL	100

ATTACHMENT A – CONTRACT REQUIREMENTS ACKNOWLEDGEMENT

I, _____, declare as follows:

That I am the _____, of _____,
(Title) (Company)

the Consultant making the attached proposal; and that I have read the sample Agreement for Services (Attachment B), including the insurance & indemnification requirements contained therein, and hereby state that I understand and am willing to abide by, and can meet the requirements of the contract, including insurance and indemnification requirements, without modification thereto, should my firm be selected for a project or projects based on my qualifications and proposal, assuming a mutually agreeable scope, fee, and schedule can be established.

I understand that the attached sample agreement is the current version used by the City of Gilroy. The standard agreement for Professional Services is currently being updated, and a new version may be used by the time the agreement resulting from this RFP is executed.

Signed this _____ day of _____, 2026

By _____

Title: _____

AGREEMENT FOR SERVICES
(For contracts over $5,000 - CONSULTANT)

This AGREEMENT made this _____ day of _____, 20_____, between:

CITY: City of Gilroy, having a principal place of business at 7351 Rosanna Street, Gilroy, California

and CONSULTANT: _____, having a principal place of business at _____.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on _____ and will continue in effect through _____ unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement shall terminate this Agreement regardless of any other provision stated herein.

_____
Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONSULTANT is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT or any employee or agent of CONSULTANT. Both parties acknowledge that CONSULTANT is not an employee for state or federal tax purposes. CONSULTANT shall not be entitled to any of the rights or benefits afforded to CITY'S employees, including, without limitation, disability or unemployment insurance, workers' compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONSULTANT shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONSULTANT

A. Specific Services

CONSULTANT agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONSULTANT shall determine the method, details and means of performing the above-described services. CITY shall have no right to, and shall not, control the manner or determine the method of accomplishing CONSULTANT'S services.

C. Employment of Assistants

CONSULTANT may, at the CONSULTANT'S own expense, employ such assistants as CONSULTANT deems necessary to perform the services required of CONSULTANT by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONSULTANT'S assistants in the performance of those services. CONSULTANT assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholding.

D. Place of Work

CONSULTANT shall perform the services required by this Agreement at any place or location and at such times as CONSULTANT shall determine is necessary to properly and timely perform CONSULTANT'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONSULTANT, CITY agrees to pay CONSULTANT the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONSULTANT exceed _____.

B. Invoices

CONSULTANT shall submit invoices for all services rendered.

C. Payment

Payment shall be due according to the payment schedule set forth in **Exhibit "D"**. No payment will be made unless CONSULTANT has first provided City with a written receipt of invoice describing the work performed and any approved direct expenses (as provided for in **Exhibit "A"**, **Section IV**) incurred during the preceding period. If CITY objects to all or any portion of any invoice, CITY shall notify CONSULTANT of the objection within thirty (30) days from receipt of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. It shall not constitute a default or breach of this Agreement for CITY not to pay any invoiced amounts to which it has objected until the objection has been resolved by mutual agreement of the parties.

D. Expenses

CONSULTANT shall be responsible for all costs and expenses incident to the performance of services for CITY, including but not limited to, all costs of equipment used or provided by CONSULTANT, all fees, fines, licenses, bonds or taxes required of or imposed against CONSULTANT and all other of CONSULTANT'S costs of doing business. CITY shall not be

responsible for any expenses incurred by CONSULTANT in performing services for CITY, except for those expenses constituting "direct expenses" referenced on **Exhibit "A."**

ARTICLE 5. OBLIGATIONS OF CONSULTANT

A. Tools and Instrumentalities

CONSULTANT shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONSULTANT is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers' Compensation

CONSULTANT agrees to provide workers' compensation insurance for CONSULTANT'S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, arising out of any injury, disability, or death of any of CONSULTANT'S employees.

C. Indemnification of Liability, Duty to Defend

1. As to professional liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, to the extent arising or resulting directly or indirectly from any willful or negligent acts, errors or omissions of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

2. As to other liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, arising or resulting directly or indirectly from any act or omission of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

D. Insurance

In addition to any other obligations under this Agreement, CONSULTANT shall, at no cost to CITY, obtain and maintain throughout the term of this Agreement: (a) Commercial Liability Insurance on a per occurrence basis, including coverage for owned and non-owned automobiles, with a minimum combined single limit coverage of $1,000,000 per occurrence for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property,

including the loss of use thereof; and (b) Professional Liability Insurance (Errors & Omissions) with a minimum coverage of $1,000,000 per occurrence or claim, and $2,000,000 aggregate; provided however, Professional Liability Insurance written on a claims made basis must comply with the requirements set forth below. Professional Liability Insurance written on a claims made basis (including without limitation the initial policy obtained and all subsequent policies purchased as renewals or replacements) must show the retroactive date, and the retroactive date must be before the earlier of the effective date of the contract or the beginning of the contract work. Claims made Professional Liability Insurance must be maintained, and written evidence of insurance must be provided, for at least five (5) years after the completion of the contract work. If claims made coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the earlier of the effective date of the contract or the beginning of the contract work, CONSULTANT must purchase so called "extended reporting" or "tail" coverage for a minimum of five (5) years after completion of work, which must also show a retroactive date that is before the earlier of the effective date of the contract or the beginning of the contract work. As a condition precedent to CITY'S obligations under this Agreement, CONSULTANT shall furnish written evidence of such coverage (naming CITY, its officers and employees as additional insureds on the Comprehensive Liability insurance policy referred to in (a) immediately above via a specific endorsement) and requiring thirty (30) days written notice of policy lapse or cancellation, or of a material change in policy terms.

E. Assignment

Notwithstanding any other provision of this Agreement, neither this Agreement nor any duties or obligations of CONSULTANT under this Agreement may be assigned or subcontracted by CONSULTANT without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONSULTANT is not CITY'S employee, CONSULTANT shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONSULTANT acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONSULTANT'S payments;
- CITY will not make state or federal unemployment insurance contributions on CONSULTANT'S behalf;
- CITY will not withhold state or federal income tax from payment to CONSULTANT;
- CITY will not make disability insurance contributions on behalf of CONSULTANT;
- CITY will not obtain workers' compensation insurance on behalf of CONSULTANT.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONSULTANT and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONSULTANT'S duties under this Agreement.

B. Assignment

CITY may assign this Agreement or any duties or obligations thereunder to a successor governmental entity without the consent of CONSULTANT. Such assignment shall not release CONSULTANT from any of CONSULTANT'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of Consultant's Business/ Death of Consultant.

CONSULTANT shall notify CITY of the proposed sale of CONSULTANT's business no later than thirty (30) days prior to any such sale. CITY shall have the option of terminating this Agreement within thirty (30) days after receiving such notice of sale. Any such CITY termination pursuant to this **Article 7.A** shall be in writing and sent to the address for notices to CONSULTANT set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY' receipt of such notice of sale.

If CONSULTANT is an individual, this Agreement shall be deemed automatically terminated upon death of CONSULTANT.

B. Termination by City for Default of Consultant

Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, CITY, at CITY'S option, may terminate this Agreement by giving written notification to CONSULTANT. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONSULTANT'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.

2. CONSULTANT'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONSULTANT shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONSULTANT. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONSULTANT'S default in the performance of this Agreement or material breach by CONSULTANT of any of its provisions, then in addition to any other rights and remedies CITY

may have, CONSULTANT shall reimburse CITY, within ten (10) days after demand, for any and all costs and expenses incurred by CITY in order to complete the tasks constituting the scope of work as described in this Agreement, to the extent such costs and expenses exceed the amounts CITY would have been obligated to pay CONSULTANT for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONSULTANT all or any part of the compensation set forth in Article 4 of this Agreement on the date due, then if and only if such nonpayment constitutes a default under this Agreement, CONSULTANT, at the CONSULTANT'S option, may terminate this Agreement if such default is not remedied by CITY within thirty (30) days after demand for such payment is given by CONSULTANT to CITY.

D. Transition after Termination

Upon termination, CONSULTANT shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONSULTANT shall cease such work as soon as it is safe to do so. CONSULTANT shall incur no further expenses in connection with this Agreement. CONSULTANT shall promptly deliver to CITY all work done toward completion of the services required hereunder, and shall act in such a manner as to facilitate any the assumption of CONSULTANT's duties by any new consultant hired by the CITY to complete such services.

ARTICLE 8. GENERAL PROVISIONS

A. Amendment & Modification

No amendments, modifications, alterations or changes to the terms of this Agreement shall be effective unless and until made in a writing signed by both parties hereto.

B. Americans with Disabilities Act of 1990

Throughout the term of this Agreement, the CONSULTANT shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONSULTANT shall also require such compliance of all subcontractors performing work under this Agreement, subject to the prohibition against assignment and subcontracting contained in Article 5 above. The CONSULTANT shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONSULTANT, its subcontractors, or the officers, employees, agents or representatives of either.

C. Attorneys' Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

D. Captions

The captions and headings of the various sections, paragraphs and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

E. Compliance with Laws

The CONSULTANT shall keep itself informed of all State and National laws and all municipal ordinances and regulations of the CITY which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Without limiting the foregoing, CONSULTANT agrees to observe the provisions of the Municipal Code of the CITY OF GILROY, obligating every contractor or subcontractor under a contract or subcontract to the CITY OF GILROY for public works or for goods or services to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, ancestry of any employee, applicant for employment, or any potential subcontractor.

F. Conflict of Interest

CONSULTANT certifies that to the best of its knowledge, no CITY employee or office of any public agency interested in this Agreement has any pecuniary interest in the business of CONSULTANT and that no person associated with CONSULTANT has any interest that would constitute a conflict of interest in any manner or degree as to the execution or performance of this Agreement.

G. Entire Agreement

This Agreement supersedes any and all prior agreements, whether oral or written, between the parties hereto with respect to the rendering of services by CONSULTANT for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A"**, **Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

L. Waiver

CONSULTANT agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

Executed at Gilroy, California, on the date and year first above written.

CONSULTANT:	**CITY:**
_____	CITY OF GILROY
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Social Security or Taxpayer Identification Number _____	

Approved as to Form

City Attorney

ATTEST:

City Clerk

EXHIBIT "A"

SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONSULTANT shall provide the services indicated on the attached **Exhibit "B"**, Scope of Services ("Services"). (All exhibits referenced are incorporated herein by reference.) To accomplish that end, CONSULTANT agrees to assign _____, who will act in the capacity of Project Manager, and who will personally direct such Services.

Except as may be specified elsewhere in this Agreement, CONSULTANT shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONSULTANT shall commence the Services upon delivery to CONSULTANT of a written "Notice to Proceed", which Notice to Proceed shall be in the form of a written communication from designated City contact person(s). Notice to Proceed may be in the form of e-mail, fax or letter authorizing commencement of the Services. For purposes of this Agreement, _____ shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONSULTANT or if otherwise delivered as provided in the **Section V.H.** ("Notices") of this **Exhibit "A"**.

B. COMPLETION OF SERVICES

When CITY determines that CONSULTANT has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONSULTANT has not completed all of such Services as required by this Agreement, CITY shall so inform CONSULTANT within this two (2) week period.

III. PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit "C"**.

IV. PAYMENT OF FEES AND DIRECT EXPENSES

Payments shall be made to CONSULTANT as provided for in **Article 4** of this Agreement.

Direct expenses are charges and fees not included in **Exhibit "B"**. CITY shall be obligated to pay only for those direct expenses which have been previously approved in writing by CITY. CONSULTANT shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONSULTANT represents and warrants that it has the qualifications, skills and licenses necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONSULTANT'S representations and warranties regarding its skills, qualifications and licenses. CONSULTANT shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONSULTANT

CONSULTANT shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONSULTANT shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY'S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONSULTANT shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONSULTANT'S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONSULTANT

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONSULTANT for the purpose of verifying any and all charges made by CONSULTANT in connection with this Agreement. CONSULTANT shall maintain for a minimum period of three (3) years (from the date of final payment to CONSULTANT), or for any longer period required by law, sufficient books and records in accordance with standard California accounting practices to establish the correctness of all charges submitted to CITY by CONSULTANT, all of which shall be made available to CITY at the CITY's offices within five (5) business days after CITY's request.

D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONSULTANT and all other written and oral information developed or received by or for CONSULTANT and all other written and oral information submitted to CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shall not, without the prior written consent of CITY, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with the performance of the such Services. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONSULTANT'S disclosure thereof) shall be deemed confidential. CONSULTANT shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONSULTANT have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONSULTANT may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONSULTANT shall not be responsible for, and City shall indemnify CONSULTANT from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

H. NOTICES.

Notices are to be sent as follows:

CITY:

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

CONSULTANT: _____
_____
_____
_____

I. FEDERAL FUNDING REQUIREMENTS.

☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.

☐ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONSULTANT shall comply with the requirements of Title 49, Part 26, Code of Federal Regulations (49 CFR 26) and the City-adopted Disadvantaged Business Enterprise programs.

2. Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

3. Covenant against Contingent Fees

The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, the Local Agency shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

EXHIBIT "B"

SCOPE OF SERVICES

EXHIBIT "C"

MILESTONE SCHEDULE

EXHIBIT "D"

PAYMENT SCHEDULE

Wage Theft Prevention Policy Statement

It is the policy of the City that all parties contracting with the City must comply with all applicable federal, state and local wage and hour laws including but not limited to the Federal Fair Labor Standards Act ("FLSA") and the California Labor Code. Suitable language regarding this requirement should be in all contracts.

1. **Disclosure**. As a part of any City solicitation for goods and/or services, including public works projects, contractor shall complete a "Bid Certification" ("Certification") that requires each potential contractor to disclose whether the contractor has been found by a court or final administrative action of an investigatory government agency to have violated federal, state, or local wage and hour laws within the past five (5) years from the date of the submitted bid or proposal.

2. **Disqualification.** The City MAY disqualify a potential contractor based on the disclosed violation.

3. **Contract Termination**. A current contractor found by a court or by final administrative action of an investigatory government agency to have violated applicable wage and hour laws, in the five (5) years prior to or during the term of the contract with the City, may be in material breach of its contract with the City if the violation is not fully disclosed and/or satisfied per City contract requirements. Such breach may serve as a basis for contract termination and/or any other remedies available under law, including a stipulated remediation plan.

I, _____, certify that (Business Name) _____

☐ ***Has***

☐ ***Has Not***

been found by a court or by final administrative action of an investigatory government agency to have violated applicable wage and hour laws on more than one (1) occasion or has one (1) unpaid wage judgment.

For each disclosed violation, please provide a copy of (i) the court order and judgment and/or final administrative decision; and (ii) documents demonstrating either that the order/judgment has been satisfied, or if the order/judgment has not been fully satisfied, a written and signed description of potential contractor's efforts to date to satisfy the order/judgment. The completed Certification shall be submitted by the potential contractor to the City as a part of its bid or proposal.

Signature and Date: _____

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Award Four, Three-Year On-Call Standard and Expedited Building and Fire Plan Review and Inspection Services Contracts with Two, One-Year Extension Options and Each Contract with an Amount Not-To-Exceed $2,000,000 to 4LEAF, CSG Consultants, TRB+ Associates, and True North Compliance Services**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Community Development
Submitted by:	Sharon Goei, Community Development Director
Prepared by:	Monica Sendejas, Management Analyst

STRATEGIC PLAN GOALS: Promote Economic Development Activities

RECOMMENDATION

Award agreements in an amount not-to-exceed $2,000,000 each with:

- 4LEAF
- CSG Consultants
- TRB+ Associates
- True North Compliance Services

to provide standard and expedited on-call Building and Fire plan review and inspection services for the initial period of July 1, 2026 to June 30, 2029, with two, one-year extension options, and authorize the City Administrator to execute these agreements.

EXECUTIVE SUMMARY

The City's Building Division and Fire Prevention/Hazardous Materials/Pretreatment Division rely on consultants to perform plan review services and supplement inspections to provide quality customer service to development applicants. The use of consultants fulfills the plan review function that does not exist in-house. The current on-

call agreements with CSG Consultants and 4LEAF will expire on June 30, 2026. The City issued a Request for Proposals (RFP) and received sixteen proposals. After an evaluation and rating process, the review committee recommends the selection of four firms to provide the requested on-call services: 4LEAF, CSG Consultants, TRB+ Associates, and True North Compliance Services. Having multiple firms on-call expands service capacity and flexibility. These services impost no net cost to the City as they are offset by plan review and permit fees. Staff recommends that Council approve entering into agreements with these consultants for an initial period of three years, with two, one-year extension options. The recommended contract amount is $400,000 per year per contract for the next five years. Use of these contracts must align with the funding in the adopted operating budgets.

BACKGROUND

The City of Gilroy's Building and Fire Prevention/Hazardous Materials/Pretreatment Divisions have historically relied on the resources and expertise of consultants to provide plan review and supplement inspection services to provide quality customer service to development applicants. The City does not currently employ in-house plan reviewers and has relied primarily on consultants to perform the plan review function. Partnering with qualified specialty firms gives the City greater flexibility and technical depth and allows the City to meet market-driven demands and review complex submittals. Small, simple projects, such as water heaters, residential re-roof, furnace/air conditioner replacement, and single-family yard patios will remain in-house. In addition, supplementing inspections with consultants as needed helps the City absorb fluctuations in development activity.

Currently, the City has agreements with CSG and 4LEAF. These agreements have provided needed resources to provide timely plan reviews and inspection services and maintain the level of services expected by the community. The two current agreements will expire on June 30, 2026.

The City issued a Request for Proposals (RFP) on December 1, 2025, and received sixteen proposals (Link to 26-RFP-CDD-528). In the Analysis section below, the RFP evaluation and rating process is discussed, followed by staff's recommendation.

ANALYSIS

The Community Development Department has historically maintained contracts with several firms to provide contract support for performing plan reviews and conducting inspections. Consultants provide the flexibility necessary to respond to cyclical demands and provide specialized knowledge or training in a particular field when required. This affords the Department the ability to quickly respond while maintaining high levels of customer service.

On December 1, 2025, the Community Development Department issued an RFP (26-RFP-CDD-528) for on-call standard and expedited Building and Fire plan review and inspection services. The RFP was posted on the City website and in the San Jose Mercury News. The City received sixteen (16) proposals by the January 6, 2026 deadline.

The review committee consisted of the Building Official, Fire Marshal, Building Inspector II, and Senior Hazardous Materials Inspector. The proposals were evaluated by the review committee based on the criteria listed in the RFP, which included qualifications, experience, references, scope of services matching the City's needs, and a proposed fee structure. The top four firms, all scoring an average of 90 or more points, were interviewed by the review committee on January 22, 2026. Based on the strength of the proposals, interviews, and subsequent contract negotiations with each firm, the following consultants were selected:

- 4LEAF
- CSG Consultants
- TRB+ Associates
- True North Compliance Services

To ensure timely plan reviews and inspection services, staff recommends establishing a panel of four firms to provide the necessary coverage and expertise. This approach enhances operational flexibility for the Building and Fire Prevention/Hazardous Materials/Pretreatment Divisions. Leveraging the expertise of these firms guarantees that all projects, including those requiring specialized complex structural and fire code reviews, are reviewed promptly and meet all applicable State and local standards.

Costs associated with services are entirely recovered via permit and inspection fees paid by the applicant, consistent with the Adopted Comprehensive Fee Schedule. Use of contractors for development services work is contingent on: 1) approved contracts with capacity to support the required scope; and 2) availability of funding in the Department's approved budget. No work will be assigned to consultants under these contracts unless there is sufficient budget to cover the costs.

The Building and Fire Prevention/Hazardous Materials/Pretreatment Divisions expended an average of $507,529 per year over the past four Fiscal Years (FY22 through FY25). Given this data, staff is recommending contract amounts at $400,000 per year per contract over the next five years, with an amount not-to-exceed $2,000,000 per contract.

ALTERNATIVES

Council may choose not to approve the selection of these consultants to provide standard and expedited on-call Building and Fire plan review and inspection services.

However, since the current agreements expire on June 30, 2026, not securing new, authorized resources would limit the City's ability to deliver development projects.

FISCAL IMPACT/FUNDING SOURCE

The cost of Building and Fire standard and expedited plan review and inspection services are offset by the revenue generated by plan review and permit fees consistent with the Adopted Comprehensive Fee Schedule.

The on-call standard and expedited Building and Fire plan review and inspection service contracts have a proposed annual amount of $400,000 and a five-year amount not-to-exceed $2,000,000. However, actual expenditures will be limited to the amount appropriated in the approved City budget. Any expenditure beyond this amount will require subsequent City Council review and approval. While the full contract authority of $2,000,000 per contract over five years allows for flexibility in addressing service demand and activity fluctuations, only the funds appropriated through the City's budget process may be expended. Should service demands necessitate additional spending beyond the initially adopted budget, staff will return to the City Council with a request for additional budget appropriation in order to utilize the remaining contract capacity.

The FY27 adopted budget is $455,000 for these services and no additional appropriations are necessary. Future years' appropriations will be included as part of the future biennial budget development process.

NEXT STEPS

Upon approval, staff will proceed with executing the agreements listed as attachments in this staff report for the initial three-year period, with two, one-year extension options.

Attachments:

1. Draft 4LEAF Agreement
2. Draft CSG Agreement
3. Draft TRB+ Associates Agreement
4. Draft True North Agreement

AGREEMENT FOR SERVICES
(For contracts over $5,000 - CONSULTANT)

This AGREEMENT made this 6 day of April, 2026, between:

CITY: City of Gilroy, having a principal place of business at 7351 Rosanna Street, Gilroy, California

and CONSULTANT: 4LEAF, Inc., having a principal place of business at 2126 Rheem Drive, Pleasanton, CA 94588.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on 07/01/2026 and will continue in effect through 06/30/2029, with two, one-year extension options, unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement shall terminate this Agreement regardless of any other provision stated herein.

_____
Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONSULTANT is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT or any employee or agent of CONSULTANT. Both parties acknowledge that CONSULTANT is not an employee for state or federal tax purposes. CONSULTANT shall not be entitled to any of the rights or benefits afforded to CITY'S employees, including, without limitation, disability or unemployment insurance, workers' compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONSULTANT shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONSULTANT

A. Specific Services

CONSULTANT agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONSULTANT shall determine the method, details and means of performing the above-described services. CITY shall have no right to, and shall not, control the manner or determine the method of accomplishing CONSULTANT'S services.

C. Employment of Assistants

CONSULTANT may, at the CONSULTANT'S own expense, employ such assistants as CONSULTANT deems necessary to perform the services required of CONSULTANT by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONSULTANT'S assistants in the performance of those services. CONSULTANT assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholding.

D. Place of Work

CONSULTANT shall perform the services required by this Agreement at any place or location and at such times as CONSULTANT shall determine is necessary to properly and timely perform CONSULTANT'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONSULTANT, CITY agrees to pay CONSULTANT the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONSULTANT exceed $2,000,000.00.

B. Invoices

CONSULTANT shall submit invoices for all services rendered.

C. Payment

Payment shall be due according to the payment schedule set forth in **Exhibit "D"**. No payment will be made unless CONSULTANT has first provided City with a written receipt of invoice describing the work performed and any approved direct expenses (as provided for in **Exhibit "A"**, **Section IV**) incurred during the preceding period. If CITY objects to all or any portion of any invoice, CITY shall notify CONSULTANT of the objection within thirty (30) days from receipt of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. It shall not constitute a default or breach of this Agreement for CITY not to pay any invoiced amounts to which it has objected until the objection has been resolved by mutual agreement of the parties.

D. Expenses

CONSULTANT shall be responsible for all costs and expenses incident to the performance of services for CITY, including but not limited to, all costs of equipment used or provided by CONSULTANT, all fees, fines, licenses, bonds or taxes required of or imposed against CONSULTANT and all other of CONSULTANT'S costs of doing business. CITY shall not be responsible for any expenses incurred by CONSULTANT in performing services for CITY, except for those expenses constituting "direct expenses" referenced on **Exhibit "A."**

ARTICLE 5. OBLIGATIONS OF CONSULTANT

A. Tools and Instrumentalities

CONSULTANT shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONSULTANT is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers' Compensation

CONSULTANT agrees to provide workers' compensation insurance for CONSULTANT'S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, arising out of any injury, disability, or death of any of CONSULTANT'S employees.

C. Indemnification of Liability, Duty to Defend

1. As to professional liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, to the extent arising or resulting directly or indirectly from any willful or negligent acts, errors or omissions of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

2. As to other liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, arising or resulting directly or indirectly from any act or omission of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

D. Insurance

In addition to any other obligations under this Agreement, CONSULTANT shall, at no cost to CITY, obtain and maintain throughout the term of this Agreement: (a) Commercial Liability Insurance on a per occurrence basis, including coverage for owned and non-owned automobiles, with a minimum combined single limit coverage of $1,000,000 per occurrence for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property, including the loss of use thereof; and (b) Professional Liability Insurance (Errors & Omissions) with a minimum coverage of $1,000,000 per occurrence or claim, and $2,000,000 aggregate; provided however, Professional Liability Insurance written on a claims made basis must comply with the requirements

set forth below. Professional Liability Insurance written on a claims made basis (including without limitation the initial policy obtained and all subsequent policies purchased as renewals or replacements) must show the retroactive date, and the retroactive date must be before the earlier of the effective date of the contract or the beginning of the contract work. Claims made Professional Liability Insurance must be maintained, and written evidence of insurance must be provided, for at least five (5) years after the completion of the contract work. If claims made coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the earlier of the effective date of the contract or the beginning of the contract work, CONSULTANT must purchase so called "extended reporting" or "tail" coverage for a minimum of five (5) years after completion of work, which must also show a retroactive date that is before the earlier of the effective date of the contract or the beginning of the contract work. As a condition precedent to CITY'S obligations under this Agreement, CONSULTANT shall furnish written evidence of such coverage (naming CITY, its officers and employees as additional insureds on the Comprehensive Liability insurance policy referred to in (a) immediately above via a specific endorsement) and requiring thirty (30) days written notice of policy lapse or cancellation, or of a material change in policy terms.

E. Assignment

Notwithstanding any other provision of this Agreement, neither this Agreement nor any duties or obligations of CONSULTANT under this Agreement may be assigned or subcontracted by CONSULTANT without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONSULTANT is not CITY'S employee, CONSULTANT shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONSULTANT acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONSULTANT'S payments;
- CITY will not make state or federal unemployment insurance contributions on CONSULTANT'S behalf;
- CITY will not withhold state or federal income tax from payment to CONSULTANT;
- CITY will not make disability insurance contributions on behalf of CONSULTANT;
- CITY will not obtain workers' compensation insurance on behalf of CONSULTANT.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONSULTANT and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONSULTANT'S duties under this Agreement.

B. Assignment

CITY may assign this Agreement or any duties or obligations thereunder to a successor governmental entity without the consent of CONSULTANT. Such assignment shall not release CONSULTANT from any of CONSULTANT'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of Consultant's Business/ Death of Consultant.

CONSULTANT shall notify CITY of the proposed sale of CONSULTANT's business no later than thirty (30) days prior to any such sale. CITY shall have the option of terminating this Agreement within thirty (30) days after receiving such notice of sale. Any such CITY termination pursuant to this **Article 7.A** shall be in writing and sent to the address for notices to CONSULTANT set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY' receipt of such notice of sale.

If CONSULTANT is an individual, this Agreement shall be deemed automatically terminated upon death of CONSULTANT.

B. Termination by City for Default of Consultant

Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, CITY, at CITY'S option, may terminate this Agreement by giving written notification to CONSULTANT. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONSULTANT'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.

2. CONSULTANT'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONSULTANT shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONSULTANT. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONSULTANT'S default in the performance of this Agreement or material breach by CONSULTANT of any of its provisions, then in addition to any other rights and remedies CITY

may have, CONSULTANT shall reimburse CITY, within ten (10) days after demand, for any and all costs and expenses incurred by CITY in order to complete the tasks constituting the scope of work as described in this Agreement, to the extent such costs and expenses exceed the amounts CITY would have been obligated to pay CONSULTANT for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONSULTANT all or any part of the compensation set forth in Article 4 of this Agreement on the date due, then if and only if such nonpayment constitutes a default under this Agreement, CONSULTANT, at the CONSULTANT'S option, may terminate this Agreement if such default is not remedied by CITY within thirty (30) days after demand for such payment is given by CONSULTANT to CITY.

D. Transition after Termination

Upon termination, CONSULTANT shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONSULTANT shall cease such work as soon as it is safe to do so. CONSULTANT shall incur no further expenses in connection with this Agreement. CONSULTANT shall promptly deliver to CITY all work done toward completion of the services required hereunder, and shall act in such a manner as to facilitate any the assumption of CONSULTANT's duties by any new consultant hired by the CITY to complete such services.

ARTICLE 8. GENERAL PROVISIONS

A. Amendment & Modification

No amendments, modifications, alterations or changes to the terms of this Agreement shall be effective unless and until made in a writing signed by both parties hereto.

B. Americans with Disabilities Act of 1990

Throughout the term of this Agreement, the CONSULTANT shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONSULTANT shall also require such compliance of all subcontractors performing work under this Agreement, subject to the prohibition against assignment and subcontracting contained in Article 5 above. The CONSULTANT shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONSULTANT, its subcontractors, or the officers, employees, agents or representatives of either.

C. Attorneys' Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable

attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

D. Captions

The captions and headings of the various sections, paragraphs and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

E. Compliance with Laws

The CONSULTANT shall keep itself informed of all State and National laws and all municipal ordinances and regulations of the CITY which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Without limiting the foregoing, CONSULTANT agrees to observe the provisions of the Municipal Code of the CITY OF GILROY, obligating every contractor or subcontractor under a contract or subcontract to the CITY OF GILROY for public works or for goods or services to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, ancestry of any employee, applicant for employment, or any potential subcontractor.

F. Conflict of Interest

CONSULTANT certifies that to the best of its knowledge, no CITY employee or office of any public agency interested in this Agreement has any pecuniary interest in the business of CONSULTANT and that no person associated with CONSULTANT has any interest that would constitute a conflict of interest in any manner or degree as to the execution or performance of this Agreement.

G. Entire Agreement

This Agreement supersedes any and all prior agreements, whether oral or written, between the parties hereto with respect to the rendering of services by CONSULTANT for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A"**, **Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

L. Waiver

CONSULTANT agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

Executed at Gilroy, California, on the date and year first above written.

CONSULTANT:	**CITY:**
4LEAF, INC.	CITY OF GILROY
By: _____	By: _____
Name: Kevin J. Duggan	Name: Matt Morley
Title: President	Title: City Administrator

Social Security or Taxpayer
Identification Number _____

Approved as to Form

City Attorney

ATTEST:

City Clerk

EXHIBIT "A"

SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONSULTANT shall provide the services indicated on the attached **Exhibit "B"**, Scope of Services ("Services"). (All exhibits referenced are incorporated herein by reference.) To accomplish that end, CONSULTANT agrees to assign Craig Tole, Vice President, who will act in the capacity of Project Manager, and who will personally direct such Services.

Except as may be specified elsewhere in this Agreement, CONSULTANT shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONSULTANT shall commence the Services upon delivery to CONSULTANT of a written "Notice to Proceed", which Notice to Proceed shall be in the form of a written communication from designated City contact person(s). Notice to Proceed may be in the form of e-mail, fax or letter authorizing commencement of the Services. For purposes of this Agreement, Hipolito Olmos, Building Official, shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONSULTANT or if otherwise delivered as provided in the **Section V.H.** ("Notices") of this **Exhibit "A"**.

B. COMPLETION OF SERVICES

When CITY determines that CONSULTANT has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONSULTANT has not completed all of such Services as required by this Agreement, CITY shall so inform CONSULTANT within this two (2) week period.

III. PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit "C"**.

IV. PAYMENT OF FEES AND DIRECT EXPENSES

Payments shall be made to CONSULTANT as provided for in **Article 4** of this Agreement.

Direct expenses are charges and fees not included in **Exhibit "B"**. CITY shall be obligated to pay only for those direct expenses which have been previously approved in writing by CITY. CONSULTANT shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONSULTANT represents and warrants that it has the qualifications, skills and licenses necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONSULTANT'S representations and warranties regarding its skills, qualifications and licenses. CONSULTANT shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONSULTANT

CONSULTANT shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONSULTANT shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY'S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONSULTANT shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONSULTANT'S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONSULTANT

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONSULTANT for the purpose of verifying any and all charges made by CONSULTANT in connection with this Agreement. CONSULTANT shall maintain for a minimum period of three (3) years (from the date of final payment to CONSULTANT), or for any longer period required by law, sufficient books and records in accordance with standard California accounting practices to establish the correctness of all charges submitted to CITY by CONSULTANT, all of which shall be made available to CITY at the CITY's offices within five (5) business days after CITY's request.

D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONSULTANT and all other written and oral information developed or received by or for CONSULTANT and all other written and oral information submitted to CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shall not, without the prior written consent of CITY, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with the performance of the such Services. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONSULTANT'S disclosure thereof) shall be deemed confidential. CONSULTANT shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONSULTANT have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONSULTANT may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONSULTANT shall not be responsible for, and City shall indemnify CONSULTANT from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

H. NOTICES.

Notices are to be sent as follows:

CITY:	Sharon Goei, Community Development Director City of Gilroy 7351 Rosanna Street Gilroy, CA 95020
CONSULTANT:	Craig Tole, Vice President 4LEAF, Inc. 2126 Rheem Drive Pleasanton, CA 94588

I. FEDERAL FUNDING REQUIREMENTS.

☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.

☒ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONSULTANT shall comply with the requirements of Title 49, Part 26, Code of Federal Regulations (49 CFR 26) and the City-adopted Disadvantaged Business Enterprise programs.

2. Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

3. Covenant against Contingent Fees

The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, the Local Agency shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

EXHIBIT "B"

SCOPE OF SERVICES

ON-CALL STANDARD AND EXPEDITED BUILDING AND FIRE PLAN REVIEW AND INSPECTION SERVICES

1. Perform on-call standard or expedited plan reviews for building and fire protection services, including but not limited to residential, commercial, and industrial developments in accordance with adopted codes and standards amended by the City.

2. Performs on-call standard or expedited inspections for building and fire protection services, including but not limited to residential, commercial, and industrial in accordance with the approved documents, adopted codes, and standards amended by the City.

3. Perform on-call standard or expedited onsite civil engineering plan review services for residential, commercial, and industrial developments in accordance with the adopted codes and standards amended by the City. Additionally, ensure overall adherence to City Standards, Ordinances, and Regulations.

COMPLIANCE STANDARDS

4. Perform comprehensive plan review service including all trades; other functions include but are not limited to writing plan review comments, holding meetings, answering inquiries and phone calls as needed.

5. Incorporate requirements from other City departments, divisions, regulating agencies and jurisdictions, i.e., Planning, Engineering, Fire Prevention, Pretreatment, Health Department, as they may apply to plan reviews and inspection services.

6. Process plan revisions and verify that corrections have been satisfactorily made in a timely manner.

COMMUNICATION STANDARDS

7. Provide a telephone number and email address for service calls from Building and Fire Prevention Divisions and permit applicants.

8. Be available to confer with applicants and City staff by telephone conversations, email and meetings (in person and virtual) during all normal business hours.

9. Provide pick-up and delivery service to and from City Hall when necessary.

PROJECT COORDINATION

10. Meet with Building and Fire Prevention staff upon request.

The CONSULTANT will review submittals usign the City's online permit portal.

TURN-AROUND TIMES

Plan Review

	Initial	Resubmittal #1	Resubmittal #2	Expedited
Residential	< 10 Days	< 5 Days	< 5 Days	Half the time
Multi-Family	< 10 Days	< 5 Days	< 5 Days	Half the time
Commercial	< 10 Days	< 5 Days	< 5 Days	Half the time

Large Commercial (15,000 s.f.) or Special Circumstances: negotiated/mutually agreed upon when plan is sent

The CONSULTANT will review submittals using the City's online permit portal within 24 hours. If required, pick-up of all plans will be performed by CONSULTANT within 24 hours of the CITY's phone call or e-mail. At no additional cost, CONSULTANT will transport the plans to and from the CITY upon a phone call or email to the CONSULTANT office. Most plan reviews will be done in 10 business days or less and 5 business days or less for re-checks. This is not inclusive of holidays or the day of the pick-up of plans.

INSPECTION SERVICES

Building Inspection: CONSULTANT's inspectors are all ICC Certified and experienced working within a municipal work environment. CONSULTANT will provide inspectors with all the necessary tools, equipment, and current code books sufficient to facilitate all required inspections. CONSULTANT will provide periodic, interim, or full-time inspectors same day or within one business day. Part-time inspection services within 24 hours of request for any duration of time. Project specific inspection services will be available in two days or less.

Fire Inspection: CONSULTANT's fire inspectors shall all be ICC and/or CSFM Certified and experienced working within a municipal work environment. CONSULTANT will provide fire inspectors with all the necessary tools, equipment, and current code books sufficient to facilitate all required inspections. CONSULTANT will provide periodic and part-time fire inspection services the next day. Full-time and Project specific inspection services will be available in two days or less.

EXHIBIT "C"

MILESTONE SCHEDULE

All services within this agreement will be conducted on an on-call basis whenever services are requested by the CITY.

EXHIBIT "D"

PAYMENT SCHEDULE

PLAN REVIEW	
Plan Review	60% of CITY's Plan Check Fees (Inclusive of all disciples except Fire and Civil, which are billed on an hourly basis)
Hourly Plan Review	$145 Non-Structural Review $165 Structural Review
Expedited	1.5 above noted fee

Fees include initial review and two (2) rechecks. Hourly charges apply after three reviews. Fee also includes shipping, courier, and electronic service.

POSITION	HOURLY RATE
Principal-in-Charge	$220
Project Manager	$185
Interim Chief Building Official	$185
Senior Combination Building Inspector (Building Inspector Ill)	$145
Commercial Building Inspector (Building Inspector II)	$134
Residential Building Inspector (Building Inspector I)	$120
OSHPD Inspection/Review	$180
On-Site Structural Plan Review Engineer	$165
On-Site Non-Structural Plans Examiner	$145
Civil Plan Review (Grading, Improvement Plans)	$178
Fire Protection Engineer (FPE)	$200
Fire Plan Examiner	$160
Fire Prevention Officer III	$155
Fire Inspector I	$133
Fire Inspector II	$145

CASp Inspection/Review	$185
Mileage (during course of inspections performed within the City)	IRS Rate + 10%

BASIS OF CHARGES

Rates are inclusive of “tools of the trade” such as forms, telephones, and consumables.

• All invoicing will be submitted monthly. Payment due on receipt. All payments over 90 days will be assessed a 1.5% interest charge. CITY shall pay attorneys’ fees, or other costs incurred in collecting delinquent amounts.

• Staff Augmentation work (excluding plan review) is subject to 4-hour minimum charges unless stated otherwise. Services billed in 4-hour increments.

• Cancellation of Building Inspection services within 24 hours of scheduled inspection will incur a minimum 2-hour charge.

• Plan review of deferred submittals and revisions will be billed at the hourly rates listed.

• All plan review services are billed on a percentage basis and includes the initial review and two (2) rechecks.

- Plan reviews will be billed on an hourly basis only after the initial review and two (2) rechecks unless otherwise agreed upon on a case-by-case basis.

- Fire and Civil Reviews are billed on an hourly basis and are not included in our plan review percentage.

• Beginning July 1, 2027, the hourly rate will be increased at the same percentage of increase as the City's annual CPI increase of the City's Fee Schedule.

• Overtime will only be billed with prior authorization of the CITY.

• Overtime and Premium time will be charged as follows:

- Regular time (work begun after 5AM or before 4PM) 1 x hourly rate

- Nighttime (work begun after 4PM or before 5AM) 1.125 x hourly rate

- Overtime (over 8-hour M-F or Saturdays) 1.5 x hourly rate

- Overtime (over 8 hours Sat or 1st 8-hour Sun) 2 x hourly rate

- Overtime (over 8 hours Sun or Holidays) 3 x hourly rate

• All work with less than 8 hours rest between shifts will be charged the appropriate overtime rate.

• In accordance with California's Meal Break and Rest Break Law requirements, CITY will be billed one (1) additional hour per day at the regular rate for each missed meal or rest break due to CITY's-directed tasks or requirements. CITY should allow CONSULTANT's non-exempt, hourly employees the opportunity to take their entitled rest and meal breaks during each work shift.

AGREEMENT FOR SERVICES
(For contracts over $5,000 - CONSULTANT)

This AGREEMENT made this 6 day of April, 2026, between:

CITY: City of Gilroy, having a principal place of business at 7351 Rosanna Street, Gilroy, California

and CONSULTANT: CSG Consultants, Inc., having a principal place of business at 550 Pilgrim Drive, Foster City, CA 94404.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on 07/01/2026 and will continue in effect through 06/30/2029, with two, one-year extension options, unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement shall terminate this Agreement regardless of any other provision stated herein.

_____
Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONSULTANT is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT or any employee or agent of CONSULTANT. Both parties acknowledge that CONSULTANT is not an employee for state or federal tax purposes. CONSULTANT shall not be entitled to any of the rights or benefits afforded to CITY'S employees, including, without limitation, disability or unemployment insurance, workers' compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONSULTANT shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONSULTANT

A. Specific Services

CONSULTANT agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONSULTANT shall determine the method, details and means of performing the above-described services. CITY shall have no right to, and shall not, control the manner or determine the method of accomplishing CONSULTANT'S services.

C. Employment of Assistants

CONSULTANT may, at the CONSULTANT'S own expense, employ such assistants as CONSULTANT deems necessary to perform the services required of CONSULTANT by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONSULTANT'S assistants in the performance of those services. CONSULTANT assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholding.

D. Place of Work

CONSULTANT shall perform the services required by this Agreement at any place or location and at such times as CONSULTANT shall determine is necessary to properly and timely perform CONSULTANT'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONSULTANT, CITY agrees to pay CONSULTANT the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONSULTANT exceed $2,000,000.00.

B. Invoices

CONSULTANT shall submit invoices for all services rendered.

C. Payment

Payment shall be due according to the payment schedule set forth in **Exhibit "D"**. No payment will be made unless CONSULTANT has first provided City with a written receipt of invoice describing the work performed and any approved direct expenses (as provided for in **Exhibit "A"**, **Section IV**) incurred during the preceding period. If CITY objects to all or any portion of any invoice, CITY shall notify CONSULTANT of the objection within thirty (30) days from receipt of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. It shall not constitute a default or breach of this Agreement for CITY not to pay any invoiced amounts to which it has objected until the objection has been resolved by mutual agreement of the parties.

D. Expenses

CONSULTANT shall be responsible for all costs and expenses incident to the performance of services for CITY, including but not limited to, all costs of equipment used or provided by CONSULTANT, all fees, fines, licenses, bonds or taxes required of or imposed against CONSULTANT and all other of CONSULTANT'S costs of doing business. CITY shall not be responsible for any expenses incurred by CONSULTANT in performing services for CITY, except for those expenses constituting "direct expenses" referenced on **Exhibit "A."**

ARTICLE 5. OBLIGATIONS OF CONSULTANT

A. Tools and Instrumentalities

CONSULTANT shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONSULTANT is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers' Compensation

CONSULTANT agrees to provide workers' compensation insurance for CONSULTANT'S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, arising out of any injury, disability, or death of any of CONSULTANT'S employees.

C. Indemnification of Liability, Duty to Defend

1. As to professional liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, to the extent arising or resulting directly or indirectly from any willful or negligent acts, errors or omissions of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

2. As to other liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, arising or resulting directly or indirectly from any act or omission of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

D. Insurance

In addition to any other obligations under this Agreement, CONSULTANT shall, at no cost to CITY, obtain and maintain throughout the term of this Agreement: (a) Commercial Liability Insurance on a per occurrence basis, including coverage for owned and non-owned automobiles, with a minimum combined single limit coverage of $1,000,000 per occurrence for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property, including the loss of use thereof; and (b) Professional Liability Insurance (Errors & Omissions) with a minimum coverage of $1,000,000 per occurrence or claim, and $2,000,000 aggregate; provided however, Professional Liability Insurance written on a claims made basis must comply with the requirements

set forth below. Professional Liability Insurance written on a claims made basis (including without limitation the initial policy obtained and all subsequent policies purchased as renewals or replacements) must show the retroactive date, and the retroactive date must be before the earlier of the effective date of the contract or the beginning of the contract work. Claims made Professional Liability Insurance must be maintained, and written evidence of insurance must be provided, for at least five (5) years after the completion of the contract work. If claims made coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the earlier of the effective date of the contract or the beginning of the contract work, CONSULTANT must purchase so called "extended reporting" or "tail" coverage for a minimum of five (5) years after completion of work, which must also show a retroactive date that is before the earlier of the effective date of the contract or the beginning of the contract work. As a condition precedent to CITY'S obligations under this Agreement, CONSULTANT shall furnish written evidence of such coverage (naming CITY, its officers and employees as additional insureds on the Comprehensive Liability insurance policy referred to in (a) immediately above via a specific endorsement) and requiring thirty (30) days written notice of policy lapse or cancellation, or of a material change in policy terms.

E. Assignment

Notwithstanding any other provision of this Agreement, neither this Agreement nor any duties or obligations of CONSULTANT under this Agreement may be assigned or subcontracted by CONSULTANT without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONSULTANT is not CITY'S employee, CONSULTANT shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONSULTANT acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONSULTANT'S payments;
- CITY will not make state or federal unemployment insurance contributions on CONSULTANT'S behalf;
- CITY will not withhold state or federal income tax from payment to CONSULTANT;
- CITY will not make disability insurance contributions on behalf of CONSULTANT;
- CITY will not obtain workers' compensation insurance on behalf of CONSULTANT.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONSULTANT and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONSULTANT'S duties under this Agreement.

B. Assignment

CITY may assign this Agreement or any duties or obligations thereunder to a successor governmental entity without the consent of CONSULTANT. Such assignment shall not release CONSULTANT from any of CONSULTANT'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of Consultant's Business/ Death of Consultant.

CONSULTANT shall notify CITY of the proposed sale of CONSULTANT's business no later than thirty (30) days prior to any such sale. CITY shall have the option of terminating this Agreement within thirty (30) days after receiving such notice of sale. Any such CITY termination pursuant to this **Article 7.A** shall be in writing and sent to the address for notices to CONSULTANT set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY' receipt of such notice of sale.

If CONSULTANT is an individual, this Agreement shall be deemed automatically terminated upon death of CONSULTANT.

B. Termination by City for Default of Consultant

Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, CITY, at CITY'S option, may terminate this Agreement by giving written notification to CONSULTANT. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONSULTANT'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.

2. CONSULTANT'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONSULTANT shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONSULTANT. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONSULTANT'S default in the performance of this Agreement or material breach by CONSULTANT of any of its provisions, then in addition to any other rights and remedies CITY

may have, CONSULTANT shall reimburse CITY, within ten (10) days after demand, for any and all costs and expenses incurred by CITY in order to complete the tasks constituting the scope of work as described in this Agreement, to the extent such costs and expenses exceed the amounts CITY would have been obligated to pay CONSULTANT for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONSULTANT all or any part of the compensation set forth in Article 4 of this Agreement on the date due, then if and only if such nonpayment constitutes a default under this Agreement, CONSULTANT, at the CONSULTANT'S option, may terminate this Agreement if such default is not remedied by CITY within thirty (30) days after demand for such payment is given by CONSULTANT to CITY.

D. Transition after Termination

Upon termination, CONSULTANT shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONSULTANT shall cease such work as soon as it is safe to do so. CONSULTANT shall incur no further expenses in connection with this Agreement. CONSULTANT shall promptly deliver to CITY all work done toward completion of the services required hereunder, and shall act in such a manner as to facilitate any the assumption of CONSULTANT's duties by any new consultant hired by the CITY to complete such services.

ARTICLE 8. GENERAL PROVISIONS

A. Amendment & Modification

No amendments, modifications, alterations or changes to the terms of this Agreement shall be effective unless and until made in a writing signed by both parties hereto.

B. Americans with Disabilities Act of 1990

Throughout the term of this Agreement, the CONSULTANT shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONSULTANT shall also require such compliance of all subcontractors performing work under this Agreement, subject to the prohibition against assignment and subcontracting contained in Article 5 above. The CONSULTANT shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONSULTANT, its subcontractors, or the officers, employees, agents or representatives of either.

C. Attorneys' Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable

attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

D. Captions

The captions and headings of the various sections, paragraphs and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

E. Compliance with Laws

The CONSULTANT shall keep itself informed of all State and National laws and all municipal ordinances and regulations of the CITY which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Without limiting the foregoing, CONSULTANT agrees to observe the provisions of the Municipal Code of the CITY OF GILROY, obligating every contractor or subcontractor under a contract or subcontract to the CITY OF GILROY for public works or for goods or services to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, ancestry of any employee, applicant for employment, or any potential subcontractor.

F. Conflict of Interest

CONSULTANT certifies that to the best of its knowledge, no CITY employee or office of any public agency interested in this Agreement has any pecuniary interest in the business of CONSULTANT and that no person associated with CONSULTANT has any interest that would constitute a conflict of interest in any manner or degree as to the execution or performance of this Agreement.

G. Entire Agreement

This Agreement supersedes any and all prior agreements, whether oral or written, between the parties hereto with respect to the rendering of services by CONSULTANT for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A"**, **Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

L. Waiver

CONSULTANT agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

Executed at Gilroy, California, on the date and year first above written.

CONSULTANT:	**CITY:**
CSG CONSULTANTS, INC.	CITY OF GILROY
By: _____	By: _____
Name: Cyrus Kianpour	Name: Matt Morley
Title: President	Title: City Administrator

Social Security or Taxpayer
Identification Number _____

Approved as to Form

City Attorney

ATTEST:

City Clerk

EXHIBIT "A"

SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONSULTANT shall provide the services indicated on the attached **Exhibit "B"**, Scope of Services ("Services"). (All exhibits referenced are incorporated herein by reference.) To accomplish that end, CONSULTANT agrees to assign Crickett Brinkman, Regional Operations Director, who will act in the capacity of Project Manager, and who will personally direct such Services.

Except as may be specified elsewhere in this Agreement, CONSULTANT shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONSULTANT shall commence the Services upon delivery to CONSULTANT of a written "Notice to Proceed", which Notice to Proceed shall be in the form of a written communication from designated City contact person(s). Notice to Proceed may be in the form of e-mail, fax or letter authorizing commencement of the Services. For purposes of this Agreement, Hipolito Olmos, Building Official, shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONSULTANT or if otherwise delivered as provided in the **Section V.H.** ("Notices") of this **Exhibit "A"**.

B. COMPLETION OF SERVICES

When CITY determines that CONSULTANT has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONSULTANT has not completed all of such Services as required by this Agreement, CITY shall so inform CONSULTANT within this two (2) week period.

III. PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit "C"**.

IV. PAYMENT OF FEES AND DIRECT EXPENSES

Payments shall be made to CONSULTANT as provided for in **Article 4** of this Agreement.

Direct expenses are charges and fees not included in **Exhibit "B"**. CITY shall be obligated to pay only for those direct expenses which have been previously approved in writing by CITY. CONSULTANT shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONSULTANT represents and warrants that it has the qualifications, skills and licenses necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONSULTANT'S representations and warranties regarding its skills, qualifications and licenses. CONSULTANT shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONSULTANT

CONSULTANT shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONSULTANT shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY'S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONSULTANT shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONSULTANT'S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONSULTANT

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONSULTANT for the purpose of verifying any and all charges made by CONSULTANT in connection with this Agreement. CONSULTANT shall maintain for a minimum period of three (3) years (from the date of final payment to

CONSULTANT), or for any longer period required by law, sufficient books and records in accordance with standard California accounting practices to establish the correctness of all charges submitted to CITY by CONSULTANT, all of which shall be made available to CITY at the CITY's offices within five (5) business days after CITY's request.

D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONSULTANT and all other written and oral information developed or received by or for CONSULTANT and all other written and oral information submitted to CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shall not, without the prior written consent of CITY, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with the performance of the such Services. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONSULTANT'S disclosure thereof) shall be deemed confidential. CONSULTANT shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONSULTANT have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONSULTANT may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONSULTANT shall not be responsible for, and City shall indemnify CONSULTANT from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

H. NOTICES.

Notices are to be sent as follows:

CITY:	Sharon Goei, Community Development Director City of Gilroy 7351 Rosanna Street Gilroy, CA 95020
CONSULTANT:	Cyrus Kianpour, President CSG Consultants, Inc. 550 Pilgrim Drive Foster City, CA 94404

I. FEDERAL FUNDING REQUIREMENTS.

☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.

☒ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONSULTANT shall comply with the requirements of Title 49, Part 26, Code of Federal Regulations (49 CFR 26) and the City-adopted Disadvantaged Business Enterprise programs.

2. Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

3. Covenant against Contingent Fees

The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, the Local Agency shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

EXHIBIT "B"

SCOPE OF SERVICES

ON-CALL STANDARD AND EXPEDITED BUILDING AND FIRE PLAN REVIEW AND INSPECTION SERVICES

1. Perform on-call standard or expedited plan reviews for building and fire protection services, including but not limited to residential, commercial, and industrial developments in accordance with adopted codes and standards amended by the City.

2. Performs on-call standard or expedited inspections for building and fire protection services, including but not limited to residential, commercial, and industrial in accordance with the approved documents, adopted codes, and standards amended by the City.

3. Perform on-call standard or expedited onsite civil engineering plan review services for residential, commercial, and industrial developments in accordance with the adopted codes and standards amended by the City. Additionally, ensure overall adherence to City Standards, Ordinances, and Regulations.

COMPLIANCE STANDARDS

4. Perform comprehensive plan review service including all trades; other functions include but are not limited to writing plan review comments, holding meetings, answering inquiries and phone calls as needed.

5. Incorporate requirements from other City departments, divisions, regulating agencies and jurisdictions, i.e., Planning, Engineering, Fire Prevention, Pretreatment, Health Department, as they may apply to plan reviews and inspection services.

6. Process plan revisions and verify that corrections have been satisfactorily made in a timely manner.

COMMUNICATION STANDARDS

7. Provide a telephone number and email address for service calls from Building and Fire Prevention Divisions and permit applicants.

8. Be available to confer with applicants and City staff by telephone conversations, email and meetings (in person and virtual) during all normal business hours.

9. Provide pick-up and delivery service to and from City Hall when necessary.

PROJECT COORDINATION

10. Meet with Building and Fire Prevention staff upon request.

The CONSULTANT will review submittals using the City's online permit portal.

TURN-AROUND TIMES

Plan Review

	Initial**	Recheck**
Residential New Contruction	10 Business Days	5 Business Days
Residential Additions	10 Business Days	5 Business Days
Small Residential Remodels	10 Business Days	5 Business Days
Commercial New Contruction and Large/Complex Projects*	15 Business Days	10 Business Days
Commercial Additions	10 Business Days	5 Business Days
Small Commercial Remodels/Tenant Improvements	10 Business Days	5 Business Days
Residential Solar	7 Business Days	5 Business Days
Commercial Solar	10 Business Days	5 Business Days
Expedited*	Half the time; negotiated/mutually agreed upon when plan is sent with larger, complex projects	

*Turnaround time my vary with the complexity and magintude of the project. If a review is anticipated to take longer than the maximum turnaround time, then the CONSULTANT will notify the CITY and negotiate additonal time required to ensure an appropriate level of review.

**The number of working days associated with the plan check turnaround time is based on time of project submittal. The first working day will be the day the project is received by CONSULTANT if submitted by 12:00 PM (Noon). For a project that is received by CONSULTANT after 12:00 PM, the first working day will be the next business day.

Note: Turnaround times for housing projects subject to State streamlining will comply with State law. This includes, but is not limited to, ADU's, SB 9 units, SB 35, by-right and ministerial housing projects.

The CONSULTANT will review submittals using the City's online permit portal. If needed, the CONSULTANT will coordinate pickup and delivery of plans and other materials from/to the CITY via CONSULTANT personnel or an approved alternative service.

CONSULTANT will provide Building (ICC certified), Fire (experienced CSFM/ICC certified), and Onsite Civil inspections. CASp certified inspectors are available upon request.

EXHIBIT "C"

MILESTONE SCHEDULE

All services within this agreement will be conducted on an on-call basis whenever services are requested by the CITY.

EXHIBIT "D"

PAYMENT SCHEDULE

PLAN REVIEW TYPE	ALL INCLUSIVE FEE
Full Building Plan Review	60% of CITY's Plan Check Fees
Structural Only Plan Review	50% of CITY's Plan Check Fees
Expedited Plan Review	90% of CITY's Plan Check Fees

BUILDING PLAN REVIEW (HOURLY RATES)

Building Plan Review	$139
Building Plan Review – Professional Engineer	$150
Building Plan Review – Structural Engineer	$170
Residential Rooftop-Mounted Solar Energy Systems	1-hr minimum
Building Grading Plan Review	$170
CASp Plan Review/Consultation	$166
Expedited Plan Review (Hourly)	1.5 x Hourly Rate
Overtime	1.5 x Hourly Rate
Holidays and Weekends	2.0 x Hourly Rate

BUILDING DIVISION SERVICES (HOURLY RATES)

CASp Inspection	$166
Building Inspector	$117
Combination Building Inspector	$135
Building Department Special Projects	$150

FIRE PREVENTION DIVISION SERVICES (HOURLY RATES)

Fire Plan Review	$134

Fire Inspector	$134
Fire Plan Review - Fire Protection Engineer (Remote)	$279
Expedited Plan Review (Hourly)	1.5 x Hourly Rate
Overtime	1.5 x Hourly Rate

ENGINEERING SERVICES (HOURLY RATES)

Assistant Engineer	$180
Associate Engineer	$215
Structural Engineer	$260
Senior Engineer	$250
Senior Structural Engineer	$275
Principal Engineer	$275
Senior Principal Engineer	$300

BASIS FOR CHARGES

• Plan review is based on a percentage of the CITY's plan check fees and includes the initial plan review and two subsequent reviews. Additional reviews, deferred submittals, revisions, and Requests for Information (RFIs) will be charged at the appropriate hourly rate below.

• RFIs for large developments will be performed at an hourly rate, and turnaround times will be agreed upon in advance with the CITY.

• Depending on project size and scope, CONSULTANT's percentage-based expedited plan review rate may be adjusted if mutually agreed upon between the CITY and CONSULTANT.

• All hourly rates include overhead costs including but not limited to salaries, benefits, workers' compensation insurance, local travel, and miscellaneous office expenses.

• Should the scope of work change or circumstances develop which necessitate special handling, CONSULTANT will notify the CITY prior to proceeding.

• Overtime services and services provided outside of normal business hours will be billed at 1.5x the applicable hourly rate.

• Fire inspection time will be charged during the course of inspections performed within the City.

• Hourly rates for publicly funded projects will be based on current prevailing wage rates.

• Beginning July 1, 2027, the hourly rate will be increased at the same percentage of increase as the City's annual CPI increase of the City's Fee Schedule.

• CONSULTANT will mail/email an invoice every month for services rendered during the previous month. Payment terms are 30 days from receipt of invoice, except at Fiscal Year End and Calendar Year End when payment terms are 90 days from receipt of invoice.

• If plans are not submitted electronically, CONSULTANT will coordinate the pickup and return of all plans to CITY via CONSULTANT staff or a licensed courier service.

• For hourly projects only, performance of plan review services utilizing the CITY's adopted plan review software (e.g., ProjectDox or Bluebeam Studios) to, for example, markup plans with corrections and redlines and/or coordinate with other internal agencies, may involve additional time being added to the plan review time at the associated plan review rate.

• Administration/Plan Processing fees are incurred for specific additional services requested by the CITY beyond the normally provided CONSULTANT administrative services which typically include coordinating the pick-up and return of plans; performing scanning, collating, and tracking; and providing plan review status updates to the CITY. Cost for additional services will be negotiated based on the type of request with a minimum fee based on 0.5 hours of service per project. Hourly rates for publicly funded projects will be based on current prevailing wage rates.

• Building Department Special Projects may include developing and establishing the following: building department workflows and relationships with other CITY departments, building permit code requirements, inspector and permit technician responsibilities, criteria for over-the-counter plan review and out-to-plan check projects, transmittals and routing processes, Building Department handouts for different project types; and may include other duties as assigned by the CITY.

• Building Grading Plan Review - This review is limited to on-site general grading and drainage within the boundary of the proposed site and the disturbed area. The review is within the scope of the building permit and excludes any off-site reviews or analysis outside the area covered by the building permit and the plan check submittal.

AGREEMENT FOR SERVICES
(For contracts over $5,000 - CONSULTANT)

This AGREEMENT made this 6 day of April, 2026, between:

CITY: City of Gilroy, having a principal place of business at 7351 Rosanna Street, Gilroy, California

and CONSULTANT: TRB and Associates, Inc., having a principal place of business at 3180 Crow Canyon Place, Suite 216, San Ramon, CA 94583.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on 07/01/2026 and will continue in effect through 06/30/2029, with two, one-year extension options, unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement shall terminate this Agreement regardless of any other provision stated herein.

_____
Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONSULTANT is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT or any employee or agent of CONSULTANT. Both parties acknowledge that CONSULTANT is not an employee for state or federal tax purposes. CONSULTANT shall not be entitled to any of the rights or benefits afforded to CITY'S employees, including, without limitation, disability or unemployment insurance, workers' compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONSULTANT shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONSULTANT

A. Specific Services

CONSULTANT agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONSULTANT shall determine the method, details and means of performing the above-described services. CITY shall have no right to, and shall not, control the manner or determine the method of accomplishing CONSULTANT'S services.

C. Employment of Assistants

CONSULTANT may, at the CONSULTANT'S own expense, employ such assistants as CONSULTANT deems necessary to perform the services required of CONSULTANT by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONSULTANT'S assistants in the performance of those services. CONSULTANT assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholding.

D. Place of Work

CONSULTANT shall perform the services required by this Agreement at any place or location and at such times as CONSULTANT shall determine is necessary to properly and timely perform CONSULTANT'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONSULTANT, CITY agrees to pay CONSULTANT the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONSULTANT exceed $2,000,000.00.

B. Invoices

CONSULTANT shall submit invoices for all services rendered.

C. Payment

Payment shall be due according to the payment schedule set forth in **Exhibit "D"**. No payment will be made unless CONSULTANT has first provided City with a written receipt of invoice describing the work performed and any approved direct expenses (as provided for in **Exhibit "A"**, **Section IV**) incurred during the preceding period. If CITY objects to all or any portion of any invoice, CITY shall notify CONSULTANT of the objection within thirty (30) days from receipt of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. It shall not constitute a default or breach of this Agreement for CITY not to pay any invoiced amounts to which it has objected until the objection has been resolved by mutual agreement of the parties.

D. Expenses

CONSULTANT shall be responsible for all costs and expenses incident to the performance of services for CITY, including but not limited to, all costs of equipment used or provided by CONSULTANT, all fees, fines, licenses, bonds or taxes required of or imposed against CONSULTANT and all other of CONSULTANT'S costs of doing business. CITY shall not be responsible for any expenses incurred by CONSULTANT in performing services for CITY, except for those expenses constituting "direct expenses" referenced on **Exhibit "A."**

ARTICLE 5. OBLIGATIONS OF CONSULTANT

A. Tools and Instrumentalities

CONSULTANT shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONSULTANT is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers' Compensation

CONSULTANT agrees to provide workers' compensation insurance for CONSULTANT'S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, arising out of any injury, disability, or death of any of CONSULTANT'S employees.

C. Indemnification of Liability, Duty to Defend

1. As to professional liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, to the extent arising or resulting directly or indirectly from any willful or negligent acts, errors or omissions of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

2. As to other liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, arising or resulting directly or indirectly from any act or omission of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

D. Insurance

In addition to any other obligations under this Agreement, CONSULTANT shall, at no cost to CITY, obtain and maintain throughout the term of this Agreement: (a) Commercial Liability Insurance on a per occurrence basis, including coverage for owned and non-owned automobiles, with a minimum combined single limit coverage of $1,000,000 per occurrence for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property, including the loss of use thereof; and (b) Professional Liability Insurance (Errors & Omissions) with a minimum coverage of $1,000,000 per occurrence or claim, and $2,000,000 aggregate; provided however, Professional Liability Insurance written on a claims made basis must comply with the requirements

set forth below. Professional Liability Insurance written on a claims made basis (including without limitation the initial policy obtained and all subsequent policies purchased as renewals or replacements) must show the retroactive date, and the retroactive date must be before the earlier of the effective date of the contract or the beginning of the contract work. Claims made Professional Liability Insurance must be maintained, and written evidence of insurance must be provided, for at least five (5) years after the completion of the contract work. If claims made coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the earlier of the effective date of the contract or the beginning of the contract work, CONSULTANT must purchase so called "extended reporting" or "tail" coverage for a minimum of five (5) years after completion of work, which must also show a retroactive date that is before the earlier of the effective date of the contract or the beginning of the contract work. As a condition precedent to CITY'S obligations under this Agreement, CONSULTANT shall furnish written evidence of such coverage (naming CITY, its officers and employees as additional insureds on the Comprehensive Liability insurance policy referred to in (a) immediately above via a specific endorsement) and requiring thirty (30) days written notice of policy lapse or cancellation, or of a material change in policy terms.

E. Assignment

Notwithstanding any other provision of this Agreement, neither this Agreement nor any duties or obligations of CONSULTANT under this Agreement may be assigned or subcontracted by CONSULTANT without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONSULTANT is not CITY'S employee, CONSULTANT shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONSULTANT acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONSULTANT'S payments;
- CITY will not make state or federal unemployment insurance contributions on CONSULTANT'S behalf;
- CITY will not withhold state or federal income tax from payment to CONSULTANT;
- CITY will not make disability insurance contributions on behalf of CONSULTANT;
- CITY will not obtain workers' compensation insurance on behalf of CONSULTANT.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONSULTANT and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONSULTANT'S duties under this Agreement.

B. Assignment

CITY may assign this Agreement or any duties or obligations thereunder to a successor governmental entity without the consent of CONSULTANT. Such assignment shall not release CONSULTANT from any of CONSULTANT'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of Consultant's Business/ Death of Consultant.

CONSULTANT shall notify CITY of the proposed sale of CONSULTANT's business no later than thirty (30) days prior to any such sale. CITY shall have the option of terminating this Agreement within thirty (30) days after receiving such notice of sale. Any such CITY termination pursuant to this **Article 7.A** shall be in writing and sent to the address for notices to CONSULTANT set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY' receipt of such notice of sale.

If CONSULTANT is an individual, this Agreement shall be deemed automatically terminated upon death of CONSULTANT.

B. Termination by City for Default of Consultant

Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, CITY, at CITY'S option, may terminate this Agreement by giving written notification to CONSULTANT. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONSULTANT'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.

2. CONSULTANT'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONSULTANT shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONSULTANT. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONSULTANT'S default in the performance of this Agreement or material breach by CONSULTANT of any of its provisions, then in addition to any other rights and remedies CITY

may have, CONSULTANT shall reimburse CITY, within ten (10) days after demand, for any and all costs and expenses incurred by CITY in order to complete the tasks constituting the scope of work as described in this Agreement, to the extent such costs and expenses exceed the amounts CITY would have been obligated to pay CONSULTANT for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONSULTANT all or any part of the compensation set forth in Article 4 of this Agreement on the date due, then if and only if such nonpayment constitutes a default under this Agreement, CONSULTANT, at the CONSULTANT'S option, may terminate this Agreement if such default is not remedied by CITY within thirty (30) days after demand for such payment is given by CONSULTANT to CITY.

D. Transition after Termination

Upon termination, CONSULTANT shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONSULTANT shall cease such work as soon as it is safe to do so. CONSULTANT shall incur no further expenses in connection with this Agreement. CONSULTANT shall promptly deliver to CITY all work done toward completion of the services required hereunder, and shall act in such a manner as to facilitate any the assumption of CONSULTANT's duties by any new consultant hired by the CITY to complete such services.

ARTICLE 8. GENERAL PROVISIONS

A. Amendment & Modification

No amendments, modifications, alterations or changes to the terms of this Agreement shall be effective unless and until made in a writing signed by both parties hereto.

B. Americans with Disabilities Act of 1990

Throughout the term of this Agreement, the CONSULTANT shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONSULTANT shall also require such compliance of all subcontractors performing work under this Agreement, subject to the prohibition against assignment and subcontracting contained in Article 5 above. The CONSULTANT shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONSULTANT, its subcontractors, or the officers, employees, agents or representatives of either.

C. Attorneys' Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable

attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

D. Captions

The captions and headings of the various sections, paragraphs and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

E. Compliance with Laws

The CONSULTANT shall keep itself informed of all State and National laws and all municipal ordinances and regulations of the CITY which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Without limiting the foregoing, CONSULTANT agrees to observe the provisions of the Municipal Code of the CITY OF GILROY, obligating every contractor or subcontractor under a contract or subcontract to the CITY OF GILROY for public works or for goods or services to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, ancestry of any employee, applicant for employment, or any potential subcontractor.

F. Conflict of Interest

CONSULTANT certifies that to the best of its knowledge, no CITY employee or office of any public agency interested in this Agreement has any pecuniary interest in the business of CONSULTANT and that no person associated with CONSULTANT has any interest that would constitute a conflict of interest in any manner or degree as to the execution or performance of this Agreement.

G. Entire Agreement

This Agreement supersedes any and all prior agreements, whether oral or written, between the parties hereto with respect to the rendering of services by CONSULTANT for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A"**, **Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

L. Waiver

CONSULTANT agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

Executed at Gilroy, California, on the date and year first above written.

CONSULTANT:	**CITY:**
TRB AND ASSOCIATES, INC	CITY OF GILROY
By: _____	By: _____
Name: Todd Bailey	Name: Matt Morley
Title: President	Title: City Administrator

Social Security or Taxpayer
Identification Number _____

Approved as to Form

City Attorney

ATTEST:

City Clerk

EXHIBIT "A"

SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONSULTANT shall provide the services indicated on the attached **Exhibit "B"**, Scope of Services ("Services"). (All exhibits referenced are incorporated herein by reference.) To accomplish that end, CONSULTANT agrees to assign Neville Pereira, Project Manager, who will act in the capacity of Project Manager, and who will personally direct such Services.

Except as may be specified elsewhere in this Agreement, CONSULTANT shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONSULTANT shall commence the Services upon delivery to CONSULTANT of a written "Notice to Proceed", which Notice to Proceed shall be in the form of a written communication from designated City contact person(s). Notice to Proceed may be in the form of e-mail, fax or letter authorizing commencement of the Services. For purposes of this Agreement, Hipolito Olmos, Building Official, shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONSULTANT or if otherwise delivered as provided in the **Section V.H.** ("Notices") of this **Exhibit "A"**.

B. COMPLETION OF SERVICES

When CITY determines that CONSULTANT has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONSULTANT has not completed all of such Services as required by this Agreement, CITY shall so inform CONSULTANT within this two (2) week period.

III. PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit "C"**.

IV. PAYMENT OF FEES AND DIRECT EXPENSES

Payments shall be made to CONSULTANT as provided for in **Article 4** of this Agreement.

Direct expenses are charges and fees not included in **Exhibit "B"**. CITY shall be obligated to pay only for those direct expenses which have been previously approved in writing by CITY. CONSULTANT shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONSULTANT represents and warrants that it has the qualifications, skills and licenses necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONSULTANT'S representations and warranties regarding its skills, qualifications and licenses. CONSULTANT shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONSULTANT

CONSULTANT shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONSULTANT shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY'S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONSULTANT shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONSULTANT'S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONSULTANT

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONSULTANT for the purpose of verifying any and all charges made by CONSULTANT in connection with this Agreement. CONSULTANT shall maintain for a minimum period of three (3) years (from the date of final payment to CONSULTANT), or for any longer period required by law, sufficient books and records in accordance with standard California accounting practices to establish the correctness of all charges submitted to CITY by CONSULTANT, all of which shall be made available to CITY at the CITY's offices within five (5) business days after CITY's request.

D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONSULTANT and all other written and oral information developed or received by or for CONSULTANT and all other written and oral information submitted to CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shall not, without the prior written consent of CITY, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with the performance of the such Services. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONSULTANT'S disclosure thereof) shall be deemed confidential. CONSULTANT shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONSULTANT have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONSULTANT may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONSULTANT shall not be responsible for, and City shall indemnify CONSULTANT from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

H. NOTICES.

Notices are to be sent as follows:

CITY:	Sharon Goei, Community Development Director City of Gilroy 7351 Rosanna Street Gilroy, CA 95020
CONSULTANT:	Todd Bailey, President TRB and Associates, Inc. 3180 Crow Canyon Place, Suite 216 San Ramon, CA 94583

I. FEDERAL FUNDING REQUIREMENTS.

☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.

☒ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONSULTANT shall comply with the requirements of Title 49, Part 26, Code of Federal Regulations (49 CFR 26) and the City-adopted Disadvantaged Business Enterprise programs.

2. Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

3. Covenant against Contingent Fees

The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, the Local Agency shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

EXHIBIT "B"

SCOPE OF SERVICES

ON-CALL STANDARD AND EXPEDITED BUILDING AND FIRE PLAN REVIEW AND INSPECTION SERVICES

1. Perform on-call standard or expedited plan reviews for building and fire protection services, including but not limited to residential, commercial, and industrial developments in accordance with adopted codes and standards amended by the City.

2. Performs on-call standard or expedited inspections for building and fire protection services, including but not limited to residential, commercial, and industrial in accordance with the approved documents, adopted codes, and standards amended by the City.

3. Perform on-call standard or expedited onsite civil engineering plan review services for residential, commercial, and industrial developments in accordance with the adopted codes and standards amended by the City. Additionally, ensure overall adherence to City Standards, Ordinances, and Regulations.

COMPLIANCE STANDARDS

4. Perform comprehensive plan review service including all trades; other functions include but are not limited to writing plan review comments, holding meetings, answering inquiries and phone calls as needed.

5. Incorporate requirements from other City departments, divisions, regulating agencies and jurisdictions, i.e., Planning, Engineering, Fire Prevention, Pretreatment, Health Department, as they may apply to plan reviews and inspection services.

6. Process plan revisions and verify that corrections have been satisfactorily made in a timely manner.

COMMUNICATION STANDARDS

7. Provide a telephone number and email address for service calls from Building and Fire Prevention Divisions and permit applicants.

8. Be available to confer with applicants and City staff by telephone conversations, email and meetings (in person and virtual) during all normal business hours.

9. Provide pick-up and delivery service to and from City Hall when necessary.

PROJECT COORDINATION

10. Meet with Building and Fire Prevention staff upon request.

The CONULTANT will review submittals using the City's online permit portal.

PLAN REVIEW

The CONSULTANT will perform on-call plan review for residential, multi-family residential, commercial, and industrial projects encompassing building, fire, electrical, plumbing, mechanical, energy, accessibility, and green building standards; as well as grading, drainage, floodplain, wildland urban interface fire severity zone, stormwater, grading, hazardous materials, and State housing law Title-25 factory-built structure considerations, as applicable. The consultant will verify conformance to adopted local codes, ordinances, regulations, and standards, City of Gilroy Municipal Code, and current California Building Standards Codes.

The CONSULTANT will perform civil engineering plan review services for residential, commercial, and industrial developments to the City on an as-needed basis. The CONSULTANT plan reviewers will work with City staff to ensure that all work conforms to the project construction documents, City Codes and Ordinances including the City Grading Code, APWA Standard Specifications, AWWA Standards, State (Title 24) and Federal (ADA) Building Codes related to site accessibility.

TURN-AROUND TIMES

Initial Submittal	Within 10 business days
Re-Submittal	Within 5 business days for all subsequent re-submittals
Expedited	Half the time; large or complex projects will be negotiated/mutually agreed upon when the plan is sent

BUILDING AND FIRE INSPECTION

The CONSULTANT will perform inspections, referring to building plans, structural calculations, and material specifications for structures located within the City limits, upon 24-hour notice. The CONSULTANT provides all labor and technical, administrative, professional, and other personnel; supplies, materials, equipment, and all other resources necessary to perform the specified work.

EXHIBIT "C"

MILESTONE SCHEDULE

All services within this agreement will be conducted on an on-call basis whenever services are requested by the CITY.

EXHIBIT "D"

PAYMENT SCHEDULE

PLAN REVIEW	FIXED FEE
Complete Plan Review	60% of CITY's Plan Check Fee
Life Safety & Structural Review	55% of CITY's Plan Check Fee
Structural-Only Review	50% of CITY's Plan Check Fee
Non-Structural-Only Review	45% of CITY's Plan Check Fee
MEP-Only Review	35% of CITY's Plan Check Fee
Expedited Plan Review	1.5 x above-noted fee

BILLING RATES FOR SERVICES (HOURLY RATES)	
Principal	$215
Building Official	$180
Principal Plan Review Engineer/Architect	$180
Senior Plan Review Engineer/Architect	$160
Senior Plans Examiner (Building & Fire)	$155
Plan Review Engineer/Architect	$150
Plans Examiner (Building & Fire)	$140
Engineering Technician	$ 95 - $120
Fire Protection Engineer	$225
CASp Certified Inspector/Examiner	$180
Grading/Storm Water Plan Review Engineer	$205
Senior Inspector (Building & Fire)	$125 - $150
Inspector (Building & Fire)	$110 - $125

BASIS FOR CHARGES

• Plan reviews billed on a fixed fee basis fee include up to three total plan review cycles – the initial plan review and two rechecks. Any further review cycles which become necessary and reviews of revisions to approved plans would be billed on an hourly rate basis, as published above.

• Overtime, Emergency, Expedited, and After-hours work is billed at the above-noted rates plus an additional 50 percent.

• Project inspections subject to prevailing wage requirements are at the above-published rates plus 30 percent.

• All requested inspection and other staff-augmentation services are subject to a minimum four-hour fee.

• Mileage during the course of inspections performed within the City will be reimbursed at the IRS rate.

• Reimbursement for direct expenses, incurred in connection with the work, will be at cost.

• “Complete Plan Review” includes Structural, Life Safety/Disabled Access, M/E/P, Green, Energy disciplines.

• Beginning July 1, 2027, the hourly rate will be increased at the same percentage of increase as the City's annual CPI increase of the City's Fee Schedule.

AGREEMENT FOR SERVICES
(For contracts over $5,000 - CONSULTANT)

This AGREEMENT made this 6 day of April, 2026, between:

CITY: City of Gilroy, having a principal place of business at 7351 Rosanna Street, Gilroy, California

and CONSULTANT: True North Compliance Services, Inc., having a principal place of business at 3355 E. Spring Street, #302, Long Beach, CA 90806..

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on 07/01/2026 and will continue in effect through 06/30/2029, with two, one-year extension options, unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement shall terminate this Agreement regardless of any other provision stated herein.

_____
Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONSULTANT is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT or any employee or agent of CONSULTANT. Both parties acknowledge that CONSULTANT is not an employee for state or federal tax purposes. CONSULTANT shall not be entitled to any of the rights or benefits afforded to CITY'S employees, including, without limitation, disability or unemployment insurance, workers' compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONSULTANT shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONSULTANT

A. Specific Services

CONSULTANT agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONSULTANT shall determine the method, details and means of performing the above-described services. CITY shall have no right to, and shall not, control the manner or determine the method of accomplishing CONSULTANT'S services.

C. Employment of Assistants

CONSULTANT may, at the CONSULTANT'S own expense, employ such assistants as CONSULTANT deems necessary to perform the services required of CONSULTANT by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONSULTANT'S assistants in the performance of those services. CONSULTANT assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholding.

D. Place of Work

CONSULTANT shall perform the services required by this Agreement at any place or location and at such times as CONSULTANT shall determine is necessary to properly and timely perform CONSULTANT'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONSULTANT, CITY agrees to pay CONSULTANT the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONSULTANT exceed $2,000,000.00.

B. Invoices

CONSULTANT shall submit invoices for all services rendered.

C. Payment

Payment shall be due according to the payment schedule set forth in **Exhibit "D"**. No payment will be made unless CONSULTANT has first provided City with a written receipt of invoice describing the work performed and any approved direct expenses (as provided for in **Exhibit "A"**, **Section IV**) incurred during the preceding period. If CITY objects to all or any portion of any invoice, CITY shall notify CONSULTANT of the objection within thirty (30) days from receipt of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. It shall not constitute a default or breach of this Agreement for CITY not to pay any invoiced amounts to which it has objected until the objection has been resolved by mutual agreement of the parties.

D. Expenses

CONSULTANT shall be responsible for all costs and expenses incident to the performance of services for CITY, including but not limited to, all costs of equipment used or provided by CONSULTANT, all fees, fines, licenses, bonds or taxes required of or imposed against CONSULTANT and all other of CONSULTANT'S costs of doing business. CITY shall not be responsible for any expenses incurred by CONSULTANT in performing services for CITY, except for those expenses constituting "direct expenses" referenced on **Exhibit "A."**

ARTICLE 5. OBLIGATIONS OF CONSULTANT

A. Tools and Instrumentalities

CONSULTANT shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONSULTANT is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers' Compensation

CONSULTANT agrees to provide workers' compensation insurance for CONSULTANT'S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, arising out of any injury, disability, or death of any of CONSULTANT'S employees.

C. Indemnification of Liability, Duty to Defend

1. As to professional liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, to the extent arising or resulting directly or indirectly from any willful or negligent acts, errors or omissions of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

2. As to other liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, arising or resulting directly or indirectly from any act or omission of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

D. Insurance

In addition to any other obligations under this Agreement, CONSULTANT shall, at no cost to CITY, obtain and maintain throughout the term of this Agreement: (a) Commercial Liability Insurance on a per occurrence basis, including coverage for owned and non-owned automobiles, with a minimum combined single limit coverage of $1,000,000 per occurrence for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property, including the loss of use thereof; and (b) Professional Liability Insurance (Errors & Omissions) with a minimum coverage of $1,000,000 per occurrence or claim, and $2,000,000 aggregate; provided however, Professional Liability Insurance written on a claims made basis must comply with the requirements

set forth below. Professional Liability Insurance written on a claims made basis (including without limitation the initial policy obtained and all subsequent policies purchased as renewals or replacements) must show the retroactive date, and the retroactive date must be before the earlier of the effective date of the contract or the beginning of the contract work. Claims made Professional Liability Insurance must be maintained, and written evidence of insurance must be provided, for at least five (5) years after the completion of the contract work. If claims made coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the earlier of the effective date of the contract or the beginning of the contract work, CONSULTANT must purchase so called "extended reporting" or "tail" coverage for a minimum of five (5) years after completion of work, which must also show a retroactive date that is before the earlier of the effective date of the contract or the beginning of the contract work. As a condition precedent to CITY'S obligations under this Agreement, CONSULTANT shall furnish written evidence of such coverage (naming CITY, its officers and employees as additional insureds on the Comprehensive Liability insurance policy referred to in (a) immediately above via a specific endorsement) and requiring thirty (30) days written notice of policy lapse or cancellation, or of a material change in policy terms.

E. Assignment

Notwithstanding any other provision of this Agreement, neither this Agreement nor any duties or obligations of CONSULTANT under this Agreement may be assigned or subcontracted by CONSULTANT without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONSULTANT is not CITY'S employee, CONSULTANT shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONSULTANT acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONSULTANT'S payments;
- CITY will not make state or federal unemployment insurance contributions on CONSULTANT'S behalf;
- CITY will not withhold state or federal income tax from payment to CONSULTANT;
- CITY will not make disability insurance contributions on behalf of CONSULTANT;
- CITY will not obtain workers' compensation insurance on behalf of CONSULTANT.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONSULTANT and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONSULTANT'S duties under this Agreement.

B. Assignment

CITY may assign this Agreement or any duties or obligations thereunder to a successor governmental entity without the consent of CONSULTANT. Such assignment shall not release CONSULTANT from any of CONSULTANT'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of Consultant's Business/ Death of Consultant.

CONSULTANT shall notify CITY of the proposed sale of CONSULTANT's business no later than thirty (30) days prior to any such sale. CITY shall have the option of terminating this Agreement within thirty (30) days after receiving such notice of sale. Any such CITY termination pursuant to this **Article 7.A** shall be in writing and sent to the address for notices to CONSULTANT set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY' receipt of such notice of sale.

If CONSULTANT is an individual, this Agreement shall be deemed automatically terminated upon death of CONSULTANT.

B. Termination by City for Default of Consultant

Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, CITY, at CITY'S option, may terminate this Agreement by giving written notification to CONSULTANT. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONSULTANT'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.

2. CONSULTANT'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONSULTANT shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONSULTANT. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONSULTANT'S default in the performance of this Agreement or material breach by CONSULTANT of any of its provisions, then in addition to any other rights and remedies CITY

may have, CONSULTANT shall reimburse CITY, within ten (10) days after demand, for any and all costs and expenses incurred by CITY in order to complete the tasks constituting the scope of work as described in this Agreement, to the extent such costs and expenses exceed the amounts CITY would have been obligated to pay CONSULTANT for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONSULTANT all or any part of the compensation set forth in Article 4 of this Agreement on the date due, then if and only if such nonpayment constitutes a default under this Agreement, CONSULTANT, at the CONSULTANT'S option, may terminate this Agreement if such default is not remedied by CITY within thirty (30) days after demand for such payment is given by CONSULTANT to CITY.

D. Transition after Termination

Upon termination, CONSULTANT shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONSULTANT shall cease such work as soon as it is safe to do so. CONSULTANT shall incur no further expenses in connection with this Agreement. CONSULTANT shall promptly deliver to CITY all work done toward completion of the services required hereunder, and shall act in such a manner as to facilitate any the assumption of CONSULTANT's duties by any new consultant hired by the CITY to complete such services.

ARTICLE 8. GENERAL PROVISIONS

A. Amendment & Modification

No amendments, modifications, alterations or changes to the terms of this Agreement shall be effective unless and until made in a writing signed by both parties hereto.

B. Americans with Disabilities Act of 1990

Throughout the term of this Agreement, the CONSULTANT shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONSULTANT shall also require such compliance of all subcontractors performing work under this Agreement, subject to the prohibition against assignment and subcontracting contained in Article 5 above. The CONSULTANT shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONSULTANT, its subcontractors, or the officers, employees, agents or representatives of either.

C. Attorneys' Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable

attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

D. Captions

The captions and headings of the various sections, paragraphs and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

E. Compliance with Laws

The CONSULTANT shall keep itself informed of all State and National laws and all municipal ordinances and regulations of the CITY which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Without limiting the foregoing, CONSULTANT agrees to observe the provisions of the Municipal Code of the CITY OF GILROY, obligating every contractor or subcontractor under a contract or subcontract to the CITY OF GILROY for public works or for goods or services to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, ancestry of any employee, applicant for employment, or any potential subcontractor.

F. Conflict of Interest

CONSULTANT certifies that to the best of its knowledge, no CITY employee or office of any public agency interested in this Agreement has any pecuniary interest in the business of CONSULTANT and that no person associated with CONSULTANT has any interest that would constitute a conflict of interest in any manner or degree as to the execution or performance of this Agreement.

G. Entire Agreement

This Agreement supersedes any and all prior agreements, whether oral or written, between the parties hereto with respect to the rendering of services by CONSULTANT for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A"**, **Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

L. Waiver

CONSULTANT agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

Executed at Gilroy, California, on the date and year first above written.

CONSULTANT:	**CITY:**
TRUE NORTH COMPLIANCE SERVICES, INC.	CITY OF GILROY
By: _____	By: _____
Name: Isam Hasenin	Name: Matt Morley
Title: President	Title: City Administrator
Social Security or Taxpayer Identification Number _____	

Approved as to Form

City Attorney

ATTEST:

City Clerk

EXHIBIT "A"

SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONSULTANT shall provide the services indicated on the attached **Exhibit "B"**, Scope of Services ("Services"). (All exhibits referenced are incorporated herein by reference.) To accomplish that end, CONSULTANT agrees to assign Amar Hasenin, Director of Operations, who will act in the capacity of Project Manager, and who will personally direct such Services.

Except as may be specified elsewhere in this Agreement, CONSULTANT shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONSULTANT shall commence the Services upon delivery to CONSULTANT of a written "Notice to Proceed", which Notice to Proceed shall be in the form of a written communication from designated City contact person(s). Notice to Proceed may be in the form of e-mail, fax or letter authorizing commencement of the Services. For purposes of this Agreement, Hipolito Olmos, Building Official, shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONSULTANT or if otherwise delivered as provided in the **Section V.H.** ("Notices") of this **Exhibit "A"**.

B. COMPLETION OF SERVICES

When CITY determines that CONSULTANT has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONSULTANT has not completed all of such Services as required by this Agreement, CITY shall so inform CONSULTANT within this two (2) week period.

III. PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit "C"**.

IV. PAYMENT OF FEES AND DIRECT EXPENSES

Payments shall be made to CONSULTANT as provided for in **Article 4** of this Agreement.

Direct expenses are charges and fees not included in **Exhibit "B"**. CITY shall be obligated to pay only for those direct expenses which have been previously approved in writing by CITY. CONSULTANT shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONSULTANT represents and warrants that it has the qualifications, skills and licenses necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONSULTANT'S representations and warranties regarding its skills, qualifications and licenses. CONSULTANT shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONSULTANT

CONSULTANT shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONSULTANT shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY'S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONSULTANT shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONSULTANT'S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONSULTANT

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONSULTANT for the purpose of verifying any and all charges made by CONSULTANT in connection with this Agreement. CONSULTANT shall maintain for a minimum period of three (3) years (from the date of final payment to CONSULTANT), or for any longer period required by law, sufficient books and records in accordance with standard California accounting practices to establish the correctness of all charges submitted to CITY by CONSULTANT, all of which shall be made available to CITY at the CITY's offices within five (5) business days after CITY's request.

D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONSULTANT and all other written and oral information developed or received by or for CONSULTANT and all other written and oral information submitted to CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shall not, without the prior written consent of CITY, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with the performance of the such Services. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONSULTANT'S disclosure thereof) shall be deemed confidential. CONSULTANT shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONSULTANT have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONSULTANT may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONSULTANT shall not be responsible for, and City shall indemnify CONSULTANT from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

H. NOTICES.

Notices are to be sent as follows:

CITY:	Sharon Goei, Community Development Director City of Gilroy 7351 Rosanna Street Gilroy, CA 95020
CONSULTANT:	Amar Hasenin, Director of Operations True North Compliance Services, Inc. 3355 E. Spring Street, #302 Long Beach, CA 90806

I. FEDERAL FUNDING REQUIREMENTS.

☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.

☒ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONSULTANT shall comply with the requirements of Title 49, Part 26, Code of Federal Regulations (49 CFR 26) and the City-adopted Disadvantaged Business Enterprise programs.

2. Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

3. Covenant against Contingent Fees

The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, the Local Agency shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

EXHIBIT "B"

SCOPE OF SERVICES

ON-CALL STANDARD AND EXPEDITED BUILDING AND FIRE PLAN REVIEW AND INSPECTION SERVICES

1. Perform on-call standard or expedited plan reviews for building and fire protection services, including but not limited to residential, commercial, and industrial developments in accordance with adopted codes and standards amended by the City.

2. Performs on-call standard or expedited inspections for building and fire protection services, including but not limited to residential, commercial, and industrial in accordance with the approved documents, adopted codes, and standards amended by the City.

3. Perform on-call standard or expedited onsite civil engineering plan review services for residential, commercial, and industrial developments in accordance with the adopted codes and standards amended by the City. Additionally, ensure overall adherence to City Standards, Ordinances, and Regulations.

COMPLIANCE STANDARDS

4. Perform comprehensive plan review service including all trades; other functions include but are not limited to writing plan review comments, holding meetings, answering inquiries and phone calls as needed.

5. Incorporate requirements from other City departments, divisions, regulating agencies and jurisdictions, i.e., Planning, Engineering, Fire Prevention, Pretreatment, Health Department, as they may apply to plan reviews and inspection services.

6. Process plan revisions and verify that corrections have been satisfactorily made in a timely manner.

COMMUNICATION STANDARDS

7. Provide a telephone number and email address for service calls from Building and Fire Prevention Divisions and permit applicants.

8. Be available to confer with applicants and City staff by telephone conversations, email and meetings (in person and virtual) during all normal business hours.

9. Provide pick-up and delivery service to and from City Hall when necessary.

PROJECT COORDINATION

10. Meet with Building and Fire Prevention staff upon request.

The CONSULTANT will review submittals using the City's online permit portal.

The CONSULTANT's staff shall be licensed and/or certified in all disciplines including Licensed Structural Engineers, Licensed Civil, MEP Engineer, Licensed Fire Protection Engineers, ICC Certified Plans Examiners, ICC Certified Inspectors, ICC Certified Permit Technicians, and more.

TURN-AROUND TIMES

Plan Review

	Initial	Recheck
Residential Solar & ESS	2 Business Days	2 Business Days
Single Family Dwellings	10 Business Days	5 Business Days
Commercial & Multi-Family Projects	10 Business Days	5 Business Days
Expedited	Half the time; large or complex projects will be negotiated/mutually agreed upon when plan is sent	

INSPECTION SERVICES

The CONSULTANT's staff shall be certified by the International Code Council or other appropriate entities in accordance with AB717 and possess many years of building code inspection experience with a municipality or a private municipal consultant. Inspectors will possess and maintain necessary certifications required to perform inspections and be equipped with all necessary tools needed to perform inspections, including a complete set of current code books. The CONSULTANT will provide the services of a Certified Accessibility Specialist (CASp). The CONSULTANT will update the City's permit tracking software, including transferring all applicable field notes

FIRE PLAN REVIEW AND INSPECTION SERVICES

The CONSULTANT will provide plan review and/or inspection for the State regulated occupancies such as assemblies, restaurants, theaters, private schools and clinics (OSHPD 3), to determine compliance with City and State codes and regulations including but not limited to locally adopted fire related ordinances and amendments; California Wild Land Urban Interface regulations; review for fire apparatus access; water supply requirements; fire flow requirements, etc. Typically, fire review will include review of building plans for code compliance, as well as review of fire plans (fire sprinkler systems, fire alarm systems, NFPA standards, etc.)

City Engineering Services:

The CONSULTANT will provide plan review and inspection of Civil/public improvements projects from one small lot to large subdivisions. The CONSULTANT will review grading, subdivision and topographic maps; examining existing and proposed contour lines, spot elevations, pad and finish floor elevations; review of hydrology reports and maps; review of low impact development measures to comply with the requirements of NPDES; review of erosion and sediment control plans for proposed BMPs.

IMPLEMENTATION PLAN

1. The CONSULTANT will hold an initial implementation meeting with the CITY as soon as the contract is signed to gain an insight on current key issues, challenges and needs of the Building & Safety Division.

2. Tour the City's Building Services operation and meet and greet with manager/staff of City departments that are involved in the development review and permitting process.

3. The CONSULTANT will review all the policies and procedures of the Building & Safety Division's plan review and inspection process.

4. The CONSULTANT will provide internal training to their staff on CITY process, technical policies and other applicable local ordinances and regulations.

5. The CONSULTANT will establish an internal policy manual for the CITY plan review and inspection process to ensure their staff follows established procedures and local ordinances and regulations.

6. Set up the process and procedures for plan routing.

7. The CONSULTANT will train their staff on the CITY's permitting software system.

8. The CONSULTANT will develop standardized plan review checklists specific for the CITY.

9. The CONSULTANT's President will set up regular meetings with the CITY to discuss process, procedures, technical issues and receive feedback on the performance of the CONSULTANT's staff.

CONSULTANT'S COMMITMENT INCLUDES THE FOLLOWING ELEMENTS:

1. Unparalleled Building and Safety expertise of team members, and highest quality plan reviews and inspection services.

2. Streamlined communication with the Director of Operations serving as the single point of contact, maintaining open lines of communication with the CITY and permit applicants.

3. Provide experienced and certified Building Inspectors to fulfill CITY needs to ensure inspection demands are met.

4. Supply any necessary plan review staffing levels to meet the volume of work and level of permit activities.

5. Consistently implement a rigorous quality assurance program for all services provided.

6. Actively work one-on-one with designers and/or developers to provide high-quality, responsive plan review services, address plan check comments and ensure positive customer experience outcomes.

7. Guarantee a balance of consistency, conformance, and efficiency in all plan reviews.

8. Provide daily pick up of plans at City offices for any paper plans, if needed.

9. Professionally prepared comment lists with clear reference to applicable code sections.

10. Commitment to reviewing plans within the agreed upon turn-around times.

EXHIBIT "C"

MILESTONE SCHEDULE

All services within this agreement will be conducted on an on-call basis whenever services are requested by the CITY.

EXHIBIT "D"

PAYMENT SCHEDULE

PLAN REVIEW SERVICES

Plan Review Fee	60% of CITY's Plan Check Fees
Expedited Plan Review Fee	1.5 x the proposed plan review fees

The Plan Review Fee includes the initial review and all subsequent rechecks. The fee includes shipping and delivery of plans to/from City Hall.

Revisions/Deferred will be billed per the hourly rates table below.

POSITION	HOURLY RATE
Interim Certified Building Official	$155
Plan Review Engineer	$135
Senior Plan Review Engineer	$150
Structural Engineer	$150
Certified Engineering Geologist/Geotechnical Engineer	$150
Licensed Fire Protection Engineer	$150
Certified Plans Examiner I	$110
Certified Plans Examiner II	$120
Building/Housing Inspector I	$105
Building/Housing Inspector II	$115
Senior Building/Housing Inspector	$125
Code Enforcement Officer	$110
CASp Plan Reviewer/Inspector	$135
Fire Plan Reviewer/Inspector I	$120
Fire Plan Reviewer/Inspector II	$135

• Mileage during the course of inspections performed within the City will be reimbursed at the IRS rate.

• Inspections outside of City business hours will be charged at 1.4 X the hourly rate with a three-hour minimum.

• Incidental expenses will be charged at cost.

• The rate schedule is for the term of the agreement.

City of Gilroy
STAFF REPORT

Agenda Item Title: **Proposed High Speed Rail Tax Increment Financing**
Meeting Date: April 6, 2026
From: Matt Morley, City Administrator
Department: City Administrator

STRATEGIC PLAN GOALS: Develop a Financially Resilient Organization

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RECOMMENDATION

Authorize the Mayor to sign a Letter of Opposition to the High Speed Rail Authority's Tax Increment financing proposal.

EXECUTIVE SUMMARY

Cal Cities is coordinating opposition to a Tax Increment Financing effort being brought forward by California High Speed Rail Authority for areas within ½ mile of their proposed stations.

ANALYSIS

Cal Cities has recently noticed Gilroy and other cities with proposed High Speed Rail stations of proposed legislation that would establish Tax Increment Financing districts for areas within ½ mile of those stations. Cal Cities is coordinating letters of opposition from Mayors of those cities.

A Tax Increment Financing District would lock the property tax and potentially sales tax within the District boundaries at a point in time. Future increases to those taxes would be attributed and distributed to the High Speed Rail Authority.

Should the legislation succeed, it would provide a significant source of funding for High Speed Rail. High Speed Rail supporters might argue that the existence of a station served by High Speed Rail would generate significant economic activity within ½ mile.

From a local jurisdiction's perspective, the City would lose the growth in property and sales tax in these areas while continuing to incur expanding municipal expenses.

Attachment 1 is the proposed language for a letter as provided by Cal Cities and includes discussion and reasons for opposition. Attachment 2 provides a map with an approximate reach of a ½ mile district.

ALTERNATIVES

Oppose the Mayor signing the letter of opposition for High Speed Rail Tax Increment Financing.

FISCAL IMPACT/FUNDING SOURCE

There is an unquantified but potentially significant reduction in future growth of tax revenues if the Tax Increment Financing legislation were to succeed.

Attachments:

1. Draft Letter in Opposition of High Speed Rail Tax Increment Financing
2. Map demonstrating the approximation of a ½ mile district.

City of Gilroy
Mayor's Office

City Hall
7351 Rosanna Street
Gilroy, California
95020-6197

Greg Bozzo, Mayor
Greg.Bozzo@cityofgilroy.org
City Hall Office (408) 846-0227
Cell Phone (408) 465-6032
www.cityofgilroy.org

DRAFT

March 19, 2026

The Honorable Laura Richardson
Chair, Senate Subcommittee No. 5
Capitol Office, 1021 O Street, Room 7340
Sacramento, CA 95814

The Honorable Steve Bennett
Chair, Assembly Subcommittee No. 4
Capitol Office, 1021 O Street, Suite 4710
Sacramento, CA 95814

Re: Proposed Tax Increment Financing District

Dear Chairs,

On behalf of the undersigned mayors from cities throughout California, we write in the strongest possible terms to oppose the California High-Speed Rail Authority's proposal to establish state-controlled Tax Increment Financing (TIF) districts within a one-half-mile radius of proposed station areas for the purpose of capturing property and potentially sales tax growth to fund high-speed rail construction and related commercialization activities.

While we recognize the significant financial challenges facing the High-Speed Rail project and appreciate the Authority's efforts to identify innovative funding strategies, the proposed value-capture framework raises profound legal, fiscal, and policy concerns for local governments and the communities we serve.

At its core, the proposal is a direct attempt to divert locally controlled tax revenues, undermine voter-approved constitutional protections, and erode the fiscal stability of California's cities to backfill a project that continues to face severe financial uncertainty.

Constitutional and Legal Concerns

The proposal to divert local tax increment to a state entity appears inconsistent with multiple provisions of the California Constitution. Local sales tax revenues are expressly protected for local governmental purposes, and the Legislature is prohibited from reallocating or transferring those revenues. Similarly, Proposition 1A (2004) guarantees that cities, counties, and special districts retain their constitutionally protected share of property tax allocations. Mandatory diversion of property tax increment to a state

authority that is not a constitutionally recognized taxing entity violates these protections and would almost certainly invite extensive litigation.

The High-Speed Rail Authority is not a local taxing district, as such, it has no constitutional claim to local tax revenues. Any attempt to divert increment to a state entity would almost certainly trigger protracted litigation and create enormous fiscal uncertainty for local governments statewide.

An Assault on Local Control

Equally concerning is the proposal's suggestion that the Authority could exercise regulatory influence over land within station areas. Land use authority is constitutionally reserved to cities and counties. While the state may set standards, it cannot assume direct local planning powers.

This proposal crosses that line. It represents an unprecedented intrusion into local governance and sets a dangerous statewide precedent.

Threats to Local Fiscal Stability and Public Services

The proposed TIF model would divert future property tax growth—revenues that local governments rely upon to fund essential public services, including public health and safety, infrastructure maintenance, parks, housing programs, and local transportation improvements. Over the potential 45-year lifespan of a TIF district, these diversions would significantly constrain local fiscal capacity, particularly in communities already struggling with service demands and infrastructure backlogs.

Although school district property tax shares are typically excluded from existing TIF structures such as Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization and Investment Authorities (CRIAs), the broader fiscal ecosystem is interconnected. Reduced city, county, and special district revenue capacity can indirectly affect school support services, public safety coordination, and community investment.

At a time when local governments are already confronting escalating infrastructure costs, housing pressures, and public safety challenges, the Authority's proposal would impose a long-term structural fiscal penalty on the very communities being asked to accommodate this project.

Departure from Established California TIF Frameworks

California's existing TIF tools—including EIFDs and CRIAs—are locally initiated, voluntary, and governed by public financing authorities with local representation. Participation by taxing entities requires affirmative consent, and project priorities are determined through locally adopted financing plans.

By contrast, the High-Speed Rail proposal contemplates a state-directed value-capture model that would override local initiation, governance, and consent principles. This represents a fundamental departure from decades of established public finance policy in California.

DRAFT

Funding the Project Cannot Come at the Expense of Communities

California's cities support statewide infrastructure investment and our opposition to this proposal should not be interpreted as an indictment of the state's high-speed rail project. But the responsibility for funding a state megaproject lies with the state—not with local taxpayers whose revenues are constitutionally protected for local purposes.

If the state believes additional funding is necessary, as it did in adopting last year's budget that allocated $20 billion from the state Greenhouse Gas Reduction Fund (GGRF) to the high-speed rail project, it must pursue transparent, lawful, statewide solutions—such as voter-approved bonds or dedicated state revenue sources—rather than attempting to divert local tax growth through a legally dubious scheme.

Conclusion

This proposal is fiscally reckless, legally vulnerable, and fundamentally unfair to the communities expected to host High-Speed Rail facilities. It would weaken local governments, destabilize public services, and undermine constitutional protections that California voters have repeatedly affirmed. Simply put: the state cannot solve a state funding problem by raiding local tax bases.

We respectfully urge the Legislative leaders to oppose this proposal and instead engage collaboratively with local governments to identify funding strategies that consider both statewide infrastructure goals and local fiscal integrity.

Sincerely,

_____

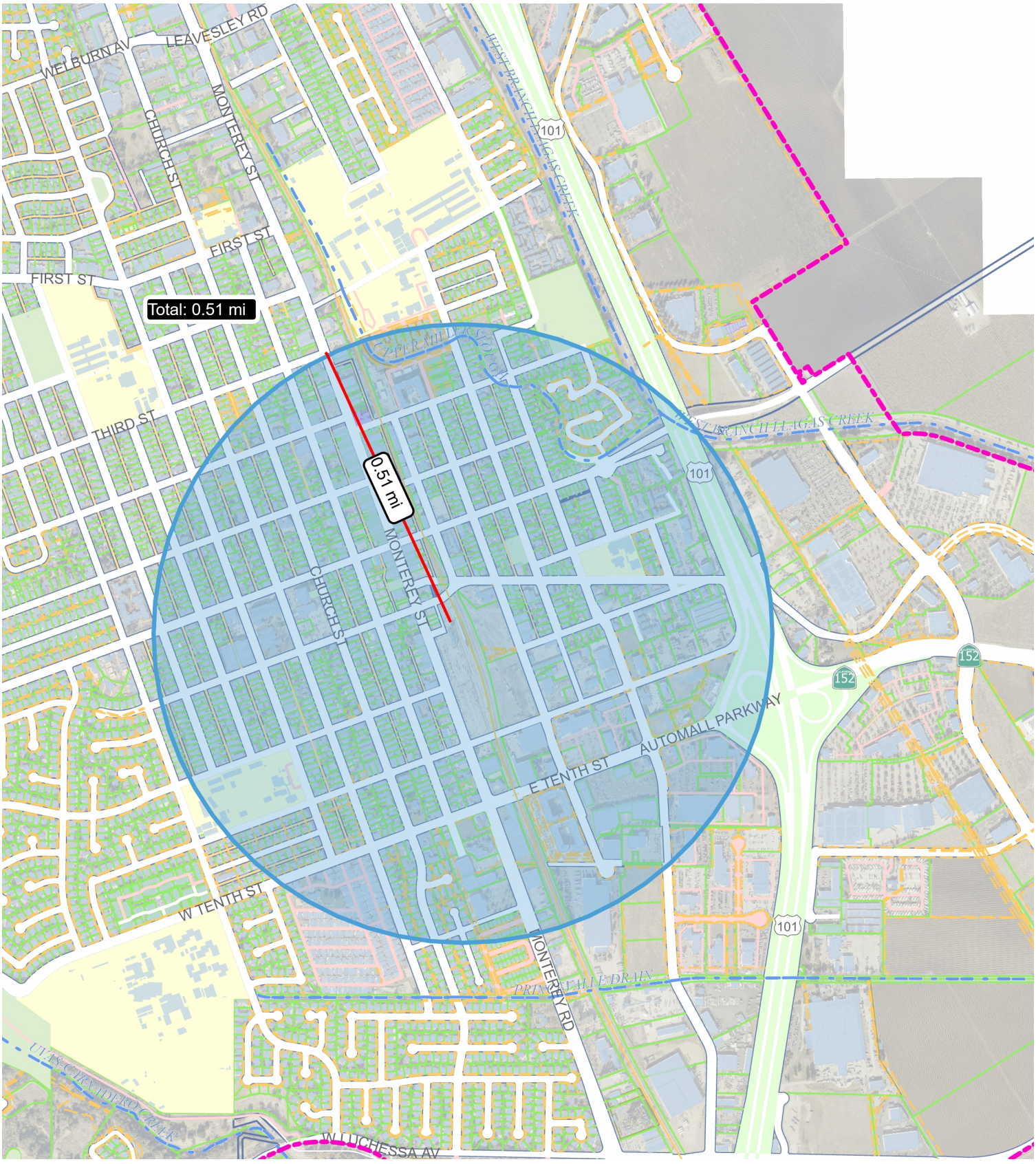
Greg Bozzo, Mayor

Cc: The Honorable Gavin Newsom, Governor, State of California
Members, Board of Directors, California High-Speed Rail Authority
Mark Tollefson, Chief Deputy Director, California High-Speed Rail Authority
The Honorable Monique Limón, California Senate President pro Tempore
The Honorable Robert Rivas, California Assembly Speaker
The Honorable John Laird, Chair of the Senate Budget and Fiscal Review Committee
The Honorable Jesse Gabriel, Chair of the Assembly Budget Committee
The Honorable Dave Cortese, Chair of the Senate Transportation Committee
The Honorable Lori Wilson, Chair of the Assembly Transportation Committee

DRAFT

City of Gilroy

City of Gilroy



0.6 0 0.28 0.6 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere

City of Gilroy, GIS Services

1: 18,056

Note: Map is for reference purposes only.

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Receive Draft Community Development Block Grant Program Year 2026-2027 Annual Action Plan and Draft Citizen Participation Plan and Provide Direction on CDBG PY 2026-2027 Funding Allocations**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Community Development
Submitted by:	Sharon Goei, Community Development Director
Prepared by:	Sharon Goei, Community Development Director Sandra Nava, Housing and Community Services Coordinator

STRATEGIC PLAN GOALS: Promote Safe and Affordable Housing for All

RECOMMENDATION

Receive draft Community Development Block Grant (CDBG) Program Year (PY) 2026-2027 Annual Action Plan (AAP) and draft Citizen Participation Plan (CPP) and provide direction on CDBG PY 2026-2027 funding allocations.

EXECUTIVE SUMMARY

For CDBG PY 2026-2027 (July 1, 2026 – June 30, 2027), the City anticipates receiving an estimated $400,000 in CDBG entitlement funding from the U.S. Department of Housing and Urban Development (HUD). This estimate is derived from the PY 2025-2026 annual allocation of $380,083. Based on an estimated allocation of $400,000, the funding for public services is $60,000 (capped at 15%) and the funding for program administration is $80,000 (capped at 20%), leaving $260,000.00 for non-public service activities. In addition to the annual allocation, staff has identified $21,604.75 in unexpended CDBG prior years' resources that will be allocated to qualified non-public service activities, bringing the non-public service allocation to $281,604.75. These allocations are included in the draft PY 2026-2027 AAP, which outlines the funding allocations for the program year. PY 2026-2027 will be a one-year funding cycle for the proposed activities and represents the second year of the City's 2025-2030 Consolidated Plan (Con Plan).

Due to the limited funding available and the significantly higher applicant funding requests, staff is presenting the City Council with funding approaches/options to seek input and direction on the final activities to be included in the draft AAP.

This year the Council will also be reviewing and considering the draft CPP and draft AAP for approval and adoption at the May 4, 2026, City Council public hearing. The CPP establishes the policies and procedures by which the City solicits and incorporates public input in the development, implementation, and evaluation of federally funded housing and community development programs.

The proposed update ensures that the City's policies are fully consistent with the public participation requirements established by the U.S. Department of Housing and Urban Development (HUD), specifically under 24 CFR Part 91.105, which governs citizen participation for entitlement jurisdictions preparing Con Plans, AAPs, Substantial Amendments, and Consolidated Annual Performance and Evaluation Reports (CAPER).

The updated CPP strengthens the City's commitment to transparency, accessibility, and community engagement by clarifying outreach procedures, expanding participation opportunities for low- and moderate-income residents and public housing residents, and formalizing procedures for public hearings, access to records, and responses to citizen complaints.

Staff recommends that the City Council receive the draft PY 2026-2027 AAP, draft CPP, receive public comments, and provide direction on PY 2026-2027 funding allocations. Upon direction from the City Council, staff will update the draft PY 2026-2027 AAP to incorporate the funding recommendations.

Staff will return to the City Council on May 4, 2026, for the Council to consider approval and adoption of the CPP, AAP, and funding allocations, prior to staff's submission to HUD.

BACKGROUND

HUD provides annual grants through the CDBG program to local entitlement community grantees, such as the City of Gilroy. The CDBG program provides funding to carry out a wide range of community development activities to revitalize neighborhoods and provide improved community facilities and services. The program's primary objective is to develop viable urban communities by providing decent housing and a suitable living environment, principally for persons with low-and moderate-income, defined as families, households, and individuals whose incomes do not exceed 80% of the County area median income, adjusted for family or household size. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended.

Eligible Activities

The CDBG program requires that each activity, except for program administration, must meet one of the three national objectives:

- Benefit low- and moderate-income persons
- Aid in the prevention or elimination of slums and blight
- Urgent Need – address a particular urgency that poses serious and immediate threat to the health and welfare of the community

Gilroy's CDBG funded activities must meet the national objective of benefiting low- and moderate-income persons. The CDBG program is flexible in the types of activities that are eligible for funding. The CDBG program allows, but is not limited to, the following activities:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures
- Construction of public facilities and improvements, such as streets and neighborhood centers
- Public services

Generally, the following types of activities are ineligible:

- Acquisition, construction, or reconstruction of buildings for the general conduct of government
- Political activities

ANALYSIS

PY 2026-2027 will be a one-year funding cycle for the proposed activities and represents the second year of the City's 2025-2030 Con Plan. The Con Plan identifies the community development and housing needs for the City's residents. CDBG funds must be used to implement the priority needs and goals identified in the Con Plan.

Available PY 2026-2027 Funding

For PY 2026-2027, the City anticipates receiving an estimated $400,000 in CDBG entitlement funding from HUD. While CDBG funding may be used for a variety of activities, due to HUD's funding caps, the City is limited to only utilizing 15% of the estimated $400,000 annual allocation, or $60,000, on activities that fall under the public service grant category, the most requested application category received each year. Also due to HUD's funding caps, only 20% of the grant, or $80,000, can be allocated to program administration, leaving $260,000 available for non-public service activities. In

addition to the $260,000, staff has identified $21,604.75 in unexpended CDBG prior years' resources that will also be included in the draft PY 2026-2027 AAP and committed to qualified non-public service activities, resulting in $281,604.75 being available for allocation to non-public services.

The following table summarizes the available funding and eligible uses for PY 2026-2027.

Funding	Amount	Eligible Uses		
		Public Service (15% Cap)	Non-Public Service	Program Administration (20% Cap)
PY 2026-2027 Formula Funds (Estimate)	$400,000.00	$60,000.00	$260,000.00	$80,000.00
Prior Years' Resources	$21,604.75	–	$21,604.75	–
PY 2026-2027 Total (Estimate)	$421,604.75	$60,000.00	$281,604.75	$80,000.00

CDBG Applications

The City is responsible for developing a process to disperse its annual CDBG funds to the community. To facilitate this process, the City conducts public outreach and releases a Notice of Funding Availability (NOFA) for each funding cycle that allows interested parties to directly apply for these funds.

The NOFA for PY 2026-2027, including application materials, eligibility criteria, and submittal requirements, was published and released to the public on January 30, 2026

Staff held a virtual public hearing on February 17, 2026, to review the NOFA and application process, answer applicants' questions, and receive public comments on the CDBG program. Prior to application submittal, as described in the application, application instructions, and throughout the public hearing presentation, first-time applicants or applicants with new projects/programs were required to meet with City staff to discuss whether their proposed project/program complies with CDBG eligibility requirements. For this funding cycle, staff utilized a simplified application approach to decrease the burden of information and documentation required at the time of application submittal. The simplified application gathered critical information to determine eligibility and expedited the application process. Those projects/programs recommended for funding will be required to submit a full application prior to the start of the program year to ensure compliance with local and federal requirements. During the

public hearing, staff also highlighted key PY 2024-2025 program achievements from the CAPER and provided a public comment period.

Applications were due March 2, 2026. Staff received nine (9) applications requesting a total of $795,520.89 in funding. A summary of each application's proposed activity and requested funding is provided in the attachment to this staff report.

Staff reviewed applications and supporting documents, determined eligibility based on the project description, conducted HUD research, and analyzed a variety of approaches and options to arrive at the funding recommendations. To facilitate analysis, staff identified applications as either "public service" or "non-public service" based on the funding restrictions.

Public Service Applications

Referring to the attachment, staff received a total of six (6) public service applications for CDBG funding, with funding requests totaling $129,371.89. These applications are competing for an estimated $60,000 in entitlement funds available for public services.

To broaden the distribution of Gilroy resources, the following funding options and approaches are offered for consideration. The options and approaches listed below include all six (6) public service applications, as they are all considered eligible for funding.

- **Equal Distribution Option** – *Fund all public service applications equally with funds available.*

Result: Fund the six (6) eligible public service applications at $10,000 per application (City's grant minimum is $7,500 per application).

Based on this option, the total amount available would be evenly distributed among the six (6) applicants, allowing for the allocation of $10,000 per applicant. This option provides funds to meet a variety of priority needs in the community.

Please refer to the "Equal Distribution Option" column for Public Service in the attachment.

- **Evaluation-Based Option** – *Fund all public service applications based on their evaluation.*

Result: Fund the six (6) eligible public service applications proportionally based on their evaluation.

The evaluation method utilizes the evaluation criteria provided to the applicants and focuses the limited dollars available proportionally based on total scores. The evaluation method focuses on the following criteria:

- Meeting Con Plan priority goals
- Agency's experience providing proposed/similar service
- Efforts to collaborate with other agencies to augment rather than duplicate services
- Program performance/meeting goals in current City funded programs

Based on the evaluation criteria above, staff reviewed each public service application; three (3) were tied for first place, one (1) was in second place, two (2) were tied for third place. The evaluation rating is listed below from high to low:

1. Peer to Peer Support for Unhoused Residents; Fair Housing; Tenant-Landlord Services
2. Housing and Emergency Services for Persons with Disabilities
3. Young Mothers Support Services; Transit Services

Staff acknowledges how important all these services are for the community and how deserving all applicants are for these funds. Based on this option and methodology, funding would be allocated to the applications proportionally based on their scores received during the evaluation process.

Please refer to the "Evaluation-Based Option" column for Public Service in the attachment.

Non-Public Service Applications

Referring to the attachment, staff received a total of three (3) applications for non-public service CDBG funding, with funding requests from Public Works, Rebuilding Together Silicon Valley, and Bay Area Community Health totaling $666,149.00. These non-public service applications are competing for an estimated $281,604.75 in entitlement funds available for non-public services (including $21,604.75 from prior years' resources).

To broaden the distribution of Gilroy resources, the following funding options and approaches are offered for consideration. The options and approaches listed below include all three (3) non-public service applications, as they are all considered eligible for funding.

- **Equal Distribution Option** – *Fund all non-public service applications equally with funds available.*

Result: Fund all non-public service applications an equal amount.

Based on this option, the total amount available would be evenly distributed among the three (3) applicants.

Please refer to the “Equal Distribution Option” column for Non-Public Service in the attachment.

- **Evaluation-Based Option** – *Fund all non-public service applications based on their evaluation.*

Result: Fund the three (3) eligible non-public service applications proportionally based on their evaluation.

The evaluation method utilizes the evaluation criteria provided to the applicants and focuses the limited dollars available proportionally based on total scores. The evaluation method focuses on the following criteria:

- Meeting HUD National Objective Compliance and Community Need
- Agency’s experience completing proposed/similar project and management of CDBG grant
- Project readiness to proceed and ability to comply with HUD timeliness requirements
- Financial feasibility and budget reasonableness

Based on the evaluation criteria above, staff reviewed each application. The evaluation rating is listed below from high to low:

1. Housing Rehabilitation and Accessibility Modification and Sidewalk Improvements projects received equal ratings
2. Gilroy Clinic Improvements Expanding Access for the Elderly

Staff acknowledges how important all these services are for the community and how deserving all applicants are for these funds. Based on this option and methodology, funding would be allocated to the applications proportionally based on their scores received during the evaluation process.

Please refer to the “Evaluation-Based Option” column for Non-Public Service in the attachment.

Summary

Staff has presented the City Council with two public service and two non-public service funding approaches/options to seek input and direction on the final activities to be included in the draft AAP. In the funding allocation attachment, staff has provided a

summary of each applicant's proposed activity, requested funding, and the proposed allocation under each option.

Staff recommends that the City Council receive the draft PY 2026-2027 AAP, draft CPP, receive public comments, and provide direction on PY 2026-2027 funding allocations. Upon direction from the City Council, staff will update the draft PY 2026-2027 AAP to incorporate the funding recommendations.

When HUD releases the actual amount of PY 2026-2027 formula funds, usually in the spring, staff will adjust the proposed allocation for each application proportionally to align with the Council's direction. Staff will also incorporate such adjustments in the AAP.

Following a 30-day public comment period (March 13, 2026 – April 13, 2026), staff will return to the City Council on May 4, 2026, for a public hearing for the Council to consider approval and adoption of the CPP, AAP, and funding allocations prior to staff's submission to HUD.

ALTERNATIVES

The City Council may allocate the funds as it deems appropriate while staying within the maximum percentages (caps) required by HUD.

FISCAL IMPACT/FUNDING SOURCE

CDBG funds are allocated by HUD on an annual basis and will be added to the City's line of credit once the draft AAP is approved by HUD.

CDBG resources are budgeted and expended from the City's CDBG Fund (Fund 245). The resources and funding recommendations will be included in the City's budget update.

PUBLIC OUTREACH

A public comment period from March 13, 2026 – April 13, 2026, is being held for the PY 2026-2027 draft AAP and draft CPP to seek community input, as well as a public meeting on April 6, 2026, and a public hearing that will take place on May 4, 2026.

NEXT STEPS

Upon direction by the City Council, staff will update the draft AAP with the funding recommendations. When HUD releases the actual amount of PY 2026-2027 formula funds, staff will adjust the proposed allocation for each application proportionally to align with the Council's direction. Staff will return to the City Council on May 4, 2026, for

Council to consider approval and adoption of the draft CPP and the draft AAP which will include funding allocations.

Attachments:

1. Draft PY 2026-2027 Application Funding Allocation
2. Draft PY 2026-2027 Annual Action Plan (https://www.cityofgilroy.org/DocumentCenter/View/19943)
3. Draft Citizen Participation Plan (https://www.cityofgilroy.org/DocumentCenter/View/19944)

CDBG Program Year 2026-2027 Application Funding Allocation

Category	Applicant	Activity	Description	Applicant Request	PY 2026-2027 Allocation		Equal Distribution Option [i]	Evaluation-Based Option [ii]
					Estimated Formula Funds $ 400,000.00	Prior Years' Resources $ 21,604.75		
Public Service	Carry the Vision	Peer to Peer Support for Unhoused Residents	Provide a lived experience, peer led public service initiative focused on stabilization and consistent engagement with individuals experiencing homelessness in Gilroy through ongoing relationship based outreach that strengthens trust, reduces isolation, and supports emotional and day-to-day stability.	$ 60,000.00			$ 10,000.00	$ 10,298.51
	Project Sentinel	Fair Housing	Address illegal housing discrimination by investigating complaints, administering audits, conducting community outreach and education, and pursuing appropriate remedies when federal and state fair housing laws are violated.	$ 15,781.47			$ 10,000.00	$ 10,298.51
	Project Sentinel	Tenant-Landlord Services	Provide tenant-landlord counseling services to Gilroy residents to prevent eviction and housing instability through information and referral, case management, dispute resolution through conciliation or mediation, and community education.	$ 15,565.40			$ 10,000.00	$ 10,298.51
	Sourcewise	Transit Services	Provide timely, free transit rides to low-income seniors and/or disabled adults to local medical/dental appointments, pharmacies, grocery stores, and to socialize at the Senior Center.	$ 10,930.02			$ 10,000.00	$ 9,626.86
	Shine Together Inc.	Young Mothers Support Services	Provide educational navigation and advocacy, parenting education, and social-emotional learning to young Gilroy mothers and their children at San Ysidro Park. The program began in Gilroy in 2025 to address the growing unmet need in South County.	$ 12,000.00			$ 10,000.00	$ 9,626.86
	Silicon Valley Independent Living Center	Housing and Emergency Services for Persons with Disabilities	Provide counseling, support and assistance to low-income Gilroy residents who have a disability or chronic health condition to assist in their transition from homelessness, health care facilities, or unstable or temporary housing into permanent, affordable, accessible, integrated housing.	$ 15,095.00			$ 10,000.00	$ 9,850.75
	Subtotal		*Total Requested Applications*	*$ 129,371.89*	$ 60,000.00		$ 60,000.00	$ 60,000.00
							Equal Distribution Option [i]	**Evaluation-Based Option [ii]**
Non-Public Service	City of Gilroy Public Works	Sidewalk Improvements	Provide much needed accessibility improvements at San Ysidro Park and downtown Gilroy on 7th Street, including ADA-compliant concrete path, curb ramps, sidewalk, curb, gutter, and other incidental items within two low-income census tracts, to meet accessibility compliance and create safe pedestrian pathways.	$ 241,149.00	Non-public service funded with formula funds and prior years' resources		$ 93,868.25	$ 100,297.58
	Rebuilding Together Silicon Valley	Housing Rehabilitation and Accessibility Modification	Provide low-income homeowners with free critical health and safety repairs, accessibility improvements, and limited rehabilitation for mobile homes, condominiums, and single-family homes to address urgent needs and help the beneficiaries safely age in place.	$ 275,000.00			$ 93,868.25	$ 100,297.58
	Bay Area Community Health	Gilroy Clinic Improvements Expanding Access for the Elderly	Utilize CDBG funding to build out its Gilroy Clinic into an all-inclusive care for the elderly center, expanding access to supportive services for low income older adults, enabling those needing nursing-home-level care to remain in their communities.	$ 150,000.00			$ 93,868.25	$ 81,009.59
	Subtotal		*Total Requested Applications*	*$ 666,149.00*	$ 260,000.00	$ 21,604.75	$ 281,604.75	$ 281,604.75
Program Admin	City of Gilroy	Program Administration	Staff time and consultant time for administration and management of the CDBG program	$ -	Program admin funded with formula funds only		$ 80,000.00	$ 80,000.00
	Subtotal				$ 80,000.00		$ 80,000.00	$ 80,000.00
Total				$ 795,520.89			$ 421,604.75	$ 421,604.75

i. Equal Distribution Option – Fund all applications equally (Public Service and Non-Public Service in separate categories)

ii. Evaluation-Based Option – Fund all applications based on their evaluation (Public Service and Non-Public Service in separate categories)

Funding	Amount	Eligible Uses		
		Public Service (15% Cap)	Non-Public Service	Program Administration (20% Cap)
PY 2026-2027 Formula Funds (Estimate)	$ 400,000.00	$ 60,000.00	$ 260,000.00	$ 80,000.00
Prior Years' Resources	$ 21,604.75	--	$ 21,604.75	--
PY 2026-2027 Total (Estimate)	$ 421,604.75	$ 60,000.00	$ 281,604.75	$ 80,000.00

City of Gilroy
DRAFT Annual Action Plan

For the Second Year of the Five-Year Consolidated Plan
Program Year (PY) 2026 - 2027
(*July 1, 2026 – June 30, 2027*)

Community Development Department
Housing and Community Services
7351 Rosanna Street
Gilroy, CA 95020

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Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The City of Gilroy (City) receives Community Development Block Grant (CDBG) funds each year from the U.S. Department of Housing and Urban Development (HUD) for housing, economic development, and community development activities. These funds are intended to meet priority needs locally identified by the City that primarily benefit persons with extremely low-, very low-, and low-incomes (incomes of 80 percent or less of area median income).

To receive federal funds, every five years, the City must submit a five-year strategic plan to HUD —the Consolidated Plan (Con Plan), as well as an Annual Action Plan (AAP) for each program year that identifies local needs, and how these needs will be addressed. The AAP must also demonstrate how the City will meet national goals set by the U.S. Congress to develop viable communities by providing decent housing, a suitable living environment, and economic opportunities.

The Con Plan and each AAP embody and reflect three overall goals, which relate to the major commitments and priorities of HUD, including:

- To provide decent housing by preserving the affordable housing stock, increasing the availability of affordable housing, reducing discriminatory barriers, increasing the supply of supportive housing for those with special needs, and transitioning homeless persons and families into housing.
- To provide a suitable living environment through safer, more livable neighborhoods, greater integration of lower-income residents, increased housing opportunities, and reinvestment in deteriorating neighborhoods.
- To expand economic opportunities, through more jobs paying self-sufficiency wages, homeownership opportunities, development activities that promote long-term community viability, and the empowerment of lower-income persons to achieve self-sufficiency.

The Program Year (PY) 2026-2027 AAP marks the second year of the five-year Con Plan period, which runs from 2025-2030. The AAP describes to the public and HUD how the City will specifically utilize CDBG funds in the coming program year (July 1, 2026 - June 30, 2027). A complete listing of specific projects/programs that will receive funding can be found in section AP-35 of this document.

Any minor changes (i.e. typos, minor edits, changes that do not affect the essence of the document) to this Plan will be completed through a minor amendment process that will not require further citizen

participation or City Council approval. Substantial amendments (i.e. funding changes, re-allocation of project monies, etc.) will follow the City's Citizen Participation Plan (CPP), and require a public hearing and Council approval.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items, or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

HUD has established a set of outcomes and objectives that entitlement jurisdictions need to address. The outcomes and objectives are noted within each of the Goals included in the Strategic Plan (SP-45) section of the Con Plan. In summary, they are as follows:

Outcomes: Availability/Accessibility; Affordability; Sustainability

Objectives: Create Suitable Living Environments; Provide Decent Affordable Housing; Create Economic Opportunities

The goals identified in this AAP are taken from the Con Plan's Strategic Plan which describes how federal funds and other resources will be deployed and what other actions will be taken to address community development and affordable housing needs over the next five years. The following goals were made available in the Notice of Funding Availability (NOFA) published by the City on January 30, 2026.

Support and Preserve Affordable Housing

Prevent and Reduce Homelessness

Increase Supportive/Public Services for Special Populations

Invest in Community Development and Neighborhood Revitalization

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

During Program Year 2024-2025, year five of the 2020-2025 Con Plan, the City successfully expended its allocation, with a total of $488,799.76 in CDBG funds requested for payment/drawn down from HUD. Every year, the City reports, in detail, on its CDBG performance in the Consolidated Annual

Performance and Evaluation Report (CAPER) which is due to HUD within 90 days upon completion of the program year.

The City utilized CDBG funds for public service activities provided by the following subrecipients/programs in PY 2024-2025:

- Community Agency for Resources, Advocacy and Services (C.A.R.A.S.): RYSE UP II (**R**eaching our **Y**oung people to **S**ucceed and **E**mpower with **U**nlimited **P**otential) Program

- Live Oak Adult Day Services: Adult Day Care Program

- Project Sentinel: Tenant-Landlord Counseling and Dispute Resolution Program

- Sourcewise: Transit Services Program

- The Health Trust: Meals on Wheels Program Program

- South County Compassion Center: Outreach for the Unhoused Program

Public service funds are always highly sought after; City staff went through a rigorous application review process to evaluate applications submitted in response to the NOFA. All organizations were able to fully expend their Gilroy grant allocations within PY 2024-2025, except for CARAS, which had a remaining balance of $18.89. A total of $58,421.24 in public service funds were spent, which was 15% of the allocation amount, and met the 15% public service cap.

The City also utilized CDBG funds for its rehabilitation activity provided by the following subrecipient/program:

-Rebuilding Together Silicon Valley: Repair and Accessibility Modification Program for Low-Income Homeowners. The Program aimed to address health/safety issues, code corrections, and accessibility issues.

The Program addressed health, and safety, accessibility, and code corrections issues citywide. A total of $179,942.32 was spent on the housing rehabilitation program, which provided assistance to 15 unique households.

On May 7, 2025, during Affordable Housing Month, the City of Gilroy and Rebuilding Together Silicon Valley provided a bilingual English and Spanish workshop at the Gilroy Senior Center on the free home safety repairs and modifications available through their CDBG funded program.

Lastly, the City invested $172,516 in CDBG funds for a safety enhancement project that designed and constructed curb ramps, improving accessibility throughout several primarily low to moderate-income neighborhoods. The project was successfully completed on time and came in $7,427.33 under the budgeted amount of $179,943.33.

Another regulatory limitation on the use of CDBG funds is that no more than 20 percent of each program year's grant allocation may be used for planning and administrative costs. The City has remained in compliance with this requirement since 2016.

The City utilized $56,432.73 in program administration funding to administer its CDBG program and $21,487.47 in program administration funding to fund the following program:

-Project Sentinel Fair Housing

The total amount of program administration funding was $77,920.20, which was 20% of the allocation amount, and met the 20% program administration cap.

The City continues to meet HUD's timeliness requirement each May by maintaining a balance of less than 1.5 times its annual CDBG grant amount in HUD's Line of Credit Control System (LOCCS).

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City followed the requirements for citizen participation outlined in the City of Gilroy CPP. To facilitate this process, the City releases a NOFA for each funding cycle that allows interested parties to directly apply for these funds. The NOFA for PY 2026-2027 was published on January 30, 2026, and emailed to local organizations, nonprofits, and City departments that may be interested in applying for CDBG funds for the upcoming program year (July 1, 2026 – June 30, 2027). The following is a list of key components implemented to ensure the highest citizen participation was captured during the development of this plan:

- Public Notices in English and Spanish were published in the Gilroy Dispatch newspaper, on the City's website Newsflash, CDBG webpage, city hall, library, and social media postings on January 30, 2026, noting the NOFA and CAPER results, virtual public hearing date, and application packet release date. This notice was also directly distributed to the following organizations: the South County Collaborative, South County Youth Task Force, Nueva Vida Community, organizations on the interest list, and every currently funded CDBG organization.
- The application packet was released on the City's CDBG webpage on February 6, 2026

- The Public Hearing was held on February 17, 2026, at staff level, to review NOFA, provide overview of prior year CDBG Program accomplishments, answer questions from the general public, and receive public comments.
- The 30-day public comment period for the draft AAP and draft CPP was held from March 13, 2026 – April 13, 2026.
- The Public Meeting was held at City Council meeting on April 6, 2026, to review potential grant funding allocation options to be included in the AAP.
- A Public Hearing will be held at City Council meeting, on May 4, 2026, to review the draft AAP, including grant allocations, and the draft CPP, and to accept any public comments prior to adoption of both Plan approvals.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

TBD

6. Summary of comments or views not accepted and the reasons for not accepting them

TBD

7. Summary

See above

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PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Con Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	GILROY	Community Development Department

Table 1 – Responsible Agencies

Narrative

The City of Gilroy (City is the lead and responsible agency for the United States Department of Housing and Urban Development's (HUD) entitlement programs in Gilroy. The Community Development Department (CDD) is responsible for administering the City's CDBG program. Entitlement jurisdictions receive entitlement funding (i.e., non-competitive, formula funds) from HUD. By federal law, the City is required to submit a five-year Con Plan and AAP to HUD listing priorities and strategies for the use of its federal funds.

The PY 2026-2027 AAP marks the second program year of the City's 5-year 2025-2030 Con Plan.

Con Plan Public Contact Information

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Gilroy, CA 95020
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AP-10 Consultation – 24 CFR 91.100, 91.200(b), 91.215(l)

1. Introduction

The Con Plan outreach effort is a regional collaborative effort between the County of Santa Clara and seven entitlement jurisdiction cities.

Community engagement is key for helping the County and cities to identify needs, priorities, goals, strategies, and activities for future housing and community development activities over the period of the five-year regional plan. Engagement activities included a community survey, public outreach, stakeholder consultations (or meetings), focus groups, and pop-up events.

As a part of the stakeholder consultation process, the City consulted with a variety of stakeholders, including City departments, human service agencies, local and regional community-based organizations, housing providers and advocates, and the Santa Clara County Housing Authority (SCCHA). Social service providers were also consulted, including those that provide services to the elderly, persons with disabilities, unhoused persons, and other lower-income individuals and at-risk populations.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The City worked in coordination with many agencies, boards, and governmental entities, with the intent of enhancing access to services, learning best practices of activities that would aid the City in developing strategies to meet established goals of providing decent and affordable housing, providing a suitable living environment, and expanding economic opportunities. The City's citizen participation efforts included the following efforts during the preparation of the Cond Plan and AAP:

- CDBG/Housing Regional Coordinators Meetings – City staff and staff from the other CDBG entitlement cities in Santa Clara County, the County of Santa Clara Office of Supportive Housing, and the SCCHA participate. Meetings discuss data resources and strive to coordinate requests for information to both public and private countywide agencies. HUD staff meets with this group to clarify issues and assist in providing ongoing programmatic technical information. The email listserv for this group enables members to share information and provide technical assistance to one another, thus promoting and creating an environment of cooperation and understanding of differing needs, concerns, and issues among the group. This expansion of knowledge of regional issues and sharing of information benefits each individual jurisdiction represented in the group.

- South County Collaborative – City staff partners with the collaborative, which consists of providers of services to low-income and special needs residents of Gilroy, San Martin, and Morgan Hill. Collaborative members share information through an active listserv and receive notices of public comment periods on the AAP and CAPER, CPP, Con Plan, public hearings, and substantial amendments.
- Unhoused Service Providers Network (USPN) – Monthly meetings are hosted by City staff, that include representatives from the Gilroy Police Department, Quality-of Life Officer Team, staff from County of Santa Clara, staff from various nonprofit agencies and shelter providers, health workers, the Santa Clara Valley Water District, and faith-based organizations. The focus is to increase collaboration and partnership among the service providers and the City, to connect the unhoused with services. The sharing of information also has as a goal of coordinating resources and services for unhoused clients.
- A Community Plan Implementation Team, which includes members of the Continuum of Care (CoC) and other community stakeholders, meets quarterly to evaluate progress toward the Community's Plan to End Homelessness.
- CoC Participation – Meets monthly with a group comprising governmental agencies, homeless service and shelter providers, homeless persons, housing advocates, affordable housing developers, and various private parties, including businesses and foundations, to identify gaps in homeless services, establish funding priorities, and pursue a systematic approach to addressing homelessness.
- During the development of its Plans and as a general practice, the City coordinated with a variety of housing agencies, public and mental health agencies, and service providers to discuss community needs. These discussions provided an opportunity for these entities to network and learn more about one another's services and programs.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Santa Clara County Office of Supportive Housing (OSH) is the administrator of the regional CoC. The City continuously coordinates with the CoC in its efforts to end and prevent homelessness in the city and county. CoC is a group comprised of countywide stakeholders, including governmental agencies, homeless service and shelter providers, persons experiencing homelessness, housing advocates, affordable housing developers, and various private parties, including businesses and foundations.

Regional efforts of the CoC include the development of the Community Plan to End Homelessness, which identifies strategies to address the needs of persons experiencing homelessness in the county, including individuals experiencing long-term/chronic homelessness and families, families with children, veterans, and unaccompanied youth. The plan also addresses the needs of people experiencing housing

instability. The CoC is collaborating with all Santa Clara County cities to update a new plan for the next five years. Gilroy staff has participated in monthly coordination and data sharing meetings.

Service providers and organizations that provide services to persons experiencing homelessness and persons experiencing housing instability were also contacted by the City to attend most recent Con Plan engagement meetings. This included Destination Home, the policy group who works on housing stabilization and permanent housing solutions; and Eden Housing, a nonprofit affordable housing developer and operator that provides permanent supportive housing in the city.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City is not an Emergency Solutions Grant (ESG) entitlement jurisdiction and therefore does not receive ESG funds. However, the City does administer federal grant programs that aid unhoused and low-income families in Santa Clara County. The City also helps conduct the Point-in-Time (PIT) count; the biennial regional collaborative effort to count and survey persons experiencing homelessness. The latest count and survey were conducted in January of 2025. The data from the PIT count is used to plan, fund, and implement actions for reducing chronic homelessness and circumstances that bring about homelessness.

The CoC takes the role of Homeless Management Information System (HMIS) administration. The County, and its consultant Bitfocus, work jointly to operate and oversee HMIS. Both software and HMIS system administration are now provided by Bitfocus. Funding for HMIS in Santa Clara County comes from HUD, the County of Santa Clara, and the City of San Jose. The County's HMIS is used by many city service providers across the region to record information and report outcomes. The software meets and exceeds HUD's requirements for the implementation and compliance of HMIS Standards. The project has a rich array of service provider participation and is utilized to capture information and report on special programming, such as Housing 1000, the County VTA free bus pass program, and prevention service delivery.

The City partners and the entire county use the HMIS system to support housing availability alongside the coordinated entry system to support transitional, shelter, as well as permanent housing needs. In Santa Clara County's coordinated entry system, all unhoused people complete a standard assessment tool (the Vulnerability Index-Service Prioritization Decision Assistance Tool or VI-SPDAT) that considers the individual's situation and identifies the best type of housing intervention to address their situation. A community queue of eligible households is generated from the standard assessment. The community queue is used to fill spaces in the permanent housing programs, including permanent supportive

housing, and rapid rehousing, in the county. This coordinated process reduces the need for people to traverse the county seeking assistance from every service provider separately.

2. Agencies, groups, organizations and others who participated in the process and consultations

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Table 2 – Agencies, groups, organizations who participated

1	**Agency/Group/Organization**	Santa Clara County County Office of Supportive Housing (OSH)
	Agency/Group/Organization Type	Other Government - County
	What section of the Plan was addressed by Consultation?	Needs Assessment Homeless Strategy Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City continues to utilize the OSH as a partner in addressing the needs of the City.
2	**Agency/Group/Organization**	Project Sentinel
	Agency/Group/Organization Type	Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in the NOFA process - may work as a subrecipient.
3	**Agency/Group/Organization**	Sourcewise
	Agency/Group/Organization Type	Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy

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	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in the NOFA process - may work as a subrecipient.
6	**Agency/Group/Organization**	Silicon Valley Independent Living Center
	Agency/Group/Organization Type	Services-Persons with Disabilities Services-Health
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in the NOFA process - may work as a subrecipient.
7	**Agency/Group/Organization**	Rebuilding Together Silicon Valley
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in the NOFA process- may work as a subrecipient.

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8	**Agency/Group/Organization**	Bay Area Community Health
	Agency/Group/Organization Type	Services-Health Health Agency Regional Organization Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Nees
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in NOFA process - may work as a subrecipient.
9	**Agency/Group/Organization**	City of Gilroy
	Agency/Group/Organization Type	Other government - Local Grantee Public Works Department
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Services-Persons with Disabilities
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in the NOFA Process - may work as a subrecipient.
10	**Agency/Group/Organization**	South County Collaborative
	Agency/Group/Organization Type	Local Service Provider Organization Group

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	What section of the Plan was addressed by Consultation?	Needs Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in monthly south county service provider meetings on topics affecting low-income residents and receive feedback on community needs. Announce CDBG related public comment periods/meetings/public hearings at in-person meetings and through the listserv.
11	**Agency/Group/Organization**	Unhoused Service Providers Network (USPN)
	Agency/Group/Organization Type	Local Service Provider Organization Group
	What section of the Plan was addressed by Consultation?	Needs Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in monthly virtual south county USPN meetings hosted by the City Staff to discuss local resources for persons experiencing homelessness in Gilroy and receive feedback from providers on the challenges impacting the provision of services. Announce CDBG related public comment periods/meetings/public hearings at in-person meetings and through the listserv.
12	**Agency/Group/Organization**	Housing CDBG Coordinators' Meeting
	Agency/Group/Organization Type	Santa Clara County Regional jurisdictional monthly CDBG Coordinators Meeting
	What section of the Plan was addressed by Consultation?	Needs Assessment Homeless Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in monthly virtual meeting along with other Santa Clara County CDBG grant recipients to discuss all things CDBG, including the coordination of the Annual Action Plan and Consolidated Plan. In addition to CDBG coordination, OSH provides legislative, funding updates, and other program updates.

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Identify any Agency Types not consulted and provide rationale for not consulting

Not applicable

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Continuum of Care Council	Identifies housing inventory count to facilitate the provision of housing services to those experiencing homelessness.
General Plan / Housing Element	City of Gilroy	Determines physical conditions of housing that affect habitability. Identifies the number of affordable units that need to be allocated to households with different income levels.

Table 3 - Other local / regional / federal planning efforts

Narrative

City, other entitlement jurisdictions, and the County, with assistance from consultants, worked to involve housing, social services, and other agencies in the community engagement process, including direct solicitation for these agencies to participate in the community survey, stakeholder meetings, and focus groups for the Con Plan, which drives subsequent Action Plans.

Stakeholder participants were asked questions and provided feedback on priorities, issues, and solutions in relation to CDBG-eligible activities such as housing, neighborhood revitalization, and low- to moderate-income household issues. They were asked about their top priorities, neighborhood revitalization, housing problems and their solutions, local organization support, families vulnerable to crisis, broadband internet issues, and how the jurisdiction should spend CDBG funding.

The responses were very helpful for the Needs Assessment and Strategic Plan of the Consolidated Plan, to analyze alongside data from the

census and HUD, especially for topics pertaining to housing needs, the needs of those experiencing homelessness, services for housed individuals with disabilities, and community development needs.

In preparation for the PY 2026-2027 Annual Action Plan, City staff consulted with new grant applicants or returning applicants with a new program who were interested in applying for CDBG funding to discuss their proposed activity and whether it met a Gilroy priority need, HUD national objective, if it was an eligible CDBG activity, and to answer any grant related questions. The NOFA and CAPER results public hearing slide presentation was made available to the public on the City's CDBG webpage www.cityofgilroy.org/cdbg

In addition, City staff is continually assessing community needs through its monthly collaboration with the South County Collaborative, Unhoused Service Providers Network, Housing CDBG Coordinators' meeting, as well as from quarterly programmatic information received from the CDBG grant recipients to ensure that the priority needs and goals identified in the 2025-2030 Consolidated Plan continue to accurately represent the needs of low-income Gilroy residents each program year.

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AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal setting

Outreach is essential to the City's ability to create an accurate and effective plan, and to allocate resources appropriately. The City, in partnership with the County, made extensive efforts to solicit citizen participation during the Consolidated Plan process which in turn drives each year's Annual Action Plan. Below is a summary of the steps taken for the Consolidated Plan, along with the efforts made for PY 2026-2027.

First, the City attempted to reach as many residents as possible, primarily low-income persons/families, disabled persons, elderly persons, and families with minor children. Receiving feedback directly from residents who may potentially receive assistance from grant funds is crucial for the CDBG program's effectiveness. Second, the City reached out to practitioners, agencies, leaders, organizations, and companies who may have the specialized knowledge, experience, resources, and capacity to discuss needs, opportunities, solutions, investments, and how community improvements can be made. Third, the City encouraged all residents to weigh in on community needs and opportunities for improvements through resident participation opportunities.

The City offered several opportunities and various methods for participation and public comment throughout the development of the Consolidated Plan, the 2026 - 2027 Annual Action Plan (AAP) and the Citizen Participation Plan (CPP), including:

1. Regional Needs Survey
2. Pop-Up Events
3. Regional Forums
4. Focus Groups
5. Joint Community Meetings on Consolidated Plan Process and Assessment of Fair Housing
6. Stakeholder Consultations
7. Public Hearings and a Comment Period for Draft Documents for current AAP

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Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/broad community	Publicly noticed in the Gilroy Dispatch on 1/30/26, emailed to nonprofit agencies, posted on City website, social media, city hall, and library. Application packet available 2-6-26. 2-17-26 virtual public hearing. 12 agencies attended the public hearing on the PY 2026-2027 NOFA and PY 2024-2025 CAPER results.	Agencies asked questions related to the NOFA. See AP-05, section 5 for a summary of the public comment received at public hearing.	All questions were welcomed, and one comment was accepted and noted.	Cityofgilroy.org/cdbg

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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Newspaper Ad	Non-English Speaking - Specify other language: Spanish	Publicly noticed in the Gilroy Dispatch on 1/30/26, emailed to nonprofit agencies, posted on City website, social media, city hall, and library. Application packet available 2-6-26. 2-17-26 virtual public hearing. 12 agencies attended the public hearing on the PY 2026-2027 NOFA and PY 2024-2025 CAPER results	Agencies asked questions related to the NOFA. See AP-05, section 5 for a summary of the public comment received at public hearing.	All questions were welcomed, and one comment was accepted and noted.	Cityofgilroy.org/cdbg

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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Virtual Public Hearing	Non-targeted/broad community	Publicly noticed in the Gilroy Dispatch on 1/30/26, emailed to nonprofit agencies, posted on City website, social media, city hall, and library. Application packet available 2-6-26. 2-17-26 virtual public hearing. 12 agencies attended the public hearing on the PY 2026-2027 NOFA and PY 2024-2025 CAPER results	Agencies asked questions related to the NOFA. See AP-05, section 5 for a summary of the public comment received at public hearing.	All questions were welcomed, and one comment was accepted and noted.	Cityofgilroy.org/cdbg

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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Newspaper Ad	Non-targeted/broad community	Publicly noticed the following on 3/13/26, in the Gilroy Dispatch: City Council Public meeting 4/6/26, to receive public comments and Council direction on CDBG funding allocations. City Council public hearing 5/4/26, to announce 30-day public comment period from 3/13/26 to 4/13/26, for the draft AAP, funding allocations, and draft Citizen Participation Plan. Public	TBD	TBD	Cityofgilroy.org/cdbg

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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
5	Newspaper Ad	Non-English Speaking - Specify other language: Spanish	Publicly noticed the following on 3/13/26, in the Gilroy Dispatch: City Council Public meeting 4/6/26, to receive public comments and Council direction on CDBG funding allocations. City Council public hearing 5/4/26, to announce 30-day public comment period from 3/13/26 to 4/13/26, for the draft AAP, funding allocations, and draft updated Citizen Participation Plan.	TBD	TBD	Cityofgilroy.org/cdbg

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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Meeting	Non-targeted/broad community/Language interpretation via Wordly.	Public meeting 4/6/26 to receive direction from City Council on CDBG funding allocations and public comment.	TBD	TBD	
7	Public Hearing	Non-targeted/broad community/Language interpretation via Wordly.	Public hearing 5-4-26 to receive final input on draft Citizen Participation Plan, funding allocations, and the draft AAP, for Council's consideration and adoption.	TBD	TBD	

Table 4 – Citizen Participation Outreach

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Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

For PY 2026-2027, the City of Gilroy anticipates CDBG funding as detailed below, including $906.74 in prior year resources from PY 2024-2025 and $21,211.01 from PY 2025-2026, to be reallocated to non-public service activities, minus a PY 2024-2025 $513 public works project expenditure that was originally considered as a prior year resource.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of Con Plan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	400,000.00	0.00	21,604.75	421,604.75	1,200,000.	

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

HUD allocations are critical to overcoming barriers; however, they are not sufficient to address all the needs of LMI households. Therefore, the City will continue to leverage other funding sources, including Permanent Local Housing Allocation (PLHA) from the state of California, to provide services to populations in need.

If appropriate, describe publicly owned land or property located within the jurisdiction that

may be used to address the needs identified in the plan

The City's 2023-2031 Housing Element identified two publicly owned property sites with potential for development:

- **8th and Alexander:** The City is partnering with the Santa Clara County Office of Supportive Housing regarding the development of affordable housing at the publicly owned (County owned land) property at 8th and Alexander.
- **880 Sunrise Drive:** This 1.98-acre site is partially occupied by a City of Gilroy fire station, with the remainder being vacant. The site is zoned PF (Park/Public Facilities District), which permits City or other governmental agency facilities. The realistic capacity for this site is 21 lower-income units on the vacant land and parking lot portions, while retaining the fire station. This site is included in the RHNA sites inventory as an opportunity site and is publicly owned.

The City of Gilroy is actively considering and utilizing its publicly owned land for affordable housing development and is committed to complying with regulations regarding surplus lands. Currently the city is working with California Housing and Community Development to complete the process of declaring four properties as surplus sites. In May of 2025, city staff met with developers and discussed affordable housing opportunities, housing element goals, and opportunity sites. This meeting will continue annually.

Discussion

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Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

The funding allocations listed below are tentative pending City Council direction.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase Supportive/Public Services for Special Populations	2026	2027	Non-Homeless Special Needs	Citywide	Public Services for Vulnerable Populations	CDBG: $50,000.00	Public service activities other than Low/Moderate Income Housing Benefit:60
2	Invest in Community Development and Neighborhood Revitalization	2026	2027	Non-Housing Community Development	Citywide	Community Development and Public Facilities	CDBG: $187,736.50	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit - TBD
3	Support and Preserve Affordable Housing	2026	2027	Affordable Housing	Citywide	Affordable Housing	CDBG: $93,868.25	Homeowner Housing Rehabilitated: 18
4	Prevent and Reduce Homelessness	2026	2027	Homelessness	Citywide	Homelessness Response and Prevention	CDBG: 10,000.00	25

Table 6 – Goals Summary

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Goal Descriptions

1	**Goal Name**	Support and Preserve Affordable Housing
	Goal Description	- Permanent affordable rental housing with services - Home rehabilitation for lower-income residents for safety and accessibility improvements
2	**Goal Name**	Prevent and Reduce Homelessness
	Goal Description	Homelessness
3	**Goal Name**	Increase Supportive /Public Services for Special Populations
	Goal Description	- A resource/navigation center to connect people with resources, including migrant/agricultural/seasonal workers - Youth activities, especially out of school time (after school, summer) - More staffing for consistent programming and resources at the senior center - Affordable childcare - Mental health services- Services for foster youth, seniors, and people with disabilities
4	**Goal Name**	Invest in Community Development and Neighborhood Revitalization
	Goal Description	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit will occur in a LMI qualifying area.

AP-35 Projects - 91.420, 91.220(d)

Introduction

For PY 2026-2027, the City expects to be allocated $400,000 in CDBG entitlement funds.

PY 2026-2027 will be a one-year funding cycle for the proposed activities and represents the second year of the City's 2025-2030 Consolidated Plan.

#	Project Name
1	Public Services- Peer to Peer Support for Unhoused Residents
2	Public Services- Fair Housing
3	Public Services- Young Mothers Support Services
4	Public Services- Transit Services
5	Public Services- Housing and Emergency Services for Persons with Disabilities

#	Project Name
6	Public Services- Tenant-Landlord Services
7	Housing Rehabilitation and Accessibility Modification
8	Gilroy Clinic Improvements Expanding Access for the Elderly
9	Sidewalk Improvements

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

One of the greatest challenges in meeting the underserved needs of low- and moderate-income persons is having limited financial resources. Public service funds are always in high demand, but with limited funding, it is difficult to fund these programs to their fullest potential while staying within HUD parameters. The City continues to utilize its CDBG funding to the greatest extent possible to serve as many underserved needs as they are able in each program year.

Allocation priorities are determined based on the needs identified by analyzing data from HUD, American Community Survey, and other sources and soliciting feedback from community members and local stakeholders. The City awards CDBG funds to organizations to provide public services and housing for low-income and special needs households, as well as for public facilities and improvements that will primarily benefit low-income persons.

HUD requires that 70 percent of all CDBG funds be spent on activities benefiting low- and moderate-income (LMI) persons, with incomes at or below 80% of the AMI, adjusted for household size.

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AP-38 Project Summary

Project Summary Information

The funding allocations listed below are tentative pending City Council direction.

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1	**Project Name**	Public Services- Peer to Peer Support for Unhoused Residents
	Target Area	Citywide
	Goals Supported	Prevent and Reduce Homelessness
	Needs Addressed	Homelessness
	Funding	CDBG: $10,000.00
	Description	Carry the Vision's Peer to Peer Support for Unhoused Residents Program will provide a lived experience, peer led public service initiative focused on stabilization and consistent engagement with individuals experiencing homelessness in Gilroy, through ongoing relationship-based outreach that strengthens trust, reduces isolation, and supports emotional and day-to-day stability. HUD Matrix Code: 03T / National Objective: LMC (presumed benefit)
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	25 persons experiencing homelessness will receive support from peers.
	Location Description	7365 Montrey Rd., Ste. 203 Gilroy, CA 95020
	Planned Activities	The Peer-to-Peer Support for Unhoused Residents Program will work with individuals experiencing homelessness in collaboration with local outreach teams, service providers, Quality of Life Officers, City staff and community partners to complement existing homelessness response efforts and strengthen coordination in Gilroy, resulting in increased stabilization, trust, and consistent engagement.
2	**Project Name**	Public Services- Fair Housing
	Target Area	Citywide
	Goals Supported	Support and Preserve Affordable Housing Increase Supportive/Public Services for Special Populations
	Needs Addressed	Affordable Housing

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	Funding	CDBG: $10,000.00
	Description	Project Sentinel's Fair Housing Program will address illegal housing discrimination by investigating complaints, administering audits, conducting community outreach and education, and pursuing appropriate remedies when federal and state fair housing laws are violated. HUD Matrix Code: 05J / National Objective: LMC (income verification required)
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Low/mod income households will receive fair housing services
	Location Description	8339 Church St., Ste. 104 Gilroy, CA 95020
	Planned Activities	The Fair Housing Program will address illegal housing discrimination by investigating complaints, administering audits, conducting community outreach and education, and pursuing appropriate remedies when federal and state fair housing laws are violated.
3	**Project Name**	Public Services- Young Mothers Support Services
	Target Area	Citywide
	Goals Supported	Increase Services for Special Populations
	Needs Addressed	Supportive Services
	Funding	CDBG: $10,000.00
	Description	Shine Together's Young Mother's Support Services Program will provide educational navigation and advocacy, parenting education, and social-emotional learning to 10 young Gilroy mothers and their children at San Ysidro Park. The program began in Gilroy in 2025 to address the growing unmet need in south county. HUD Matrix Code: 05D / National Objective: LMC
	Target Date	6/30/2027

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	Estimate the number and type of families that will benefit from the proposed activities	10 low-income mothers and their children
	Location Description	San Ysidro Park 7700 Murray Ave. Gilroy, CA 95020
	Planned Activities	The Young Mothers Support Services Program will provide young low-income mothers between the ages of 13-25 with expanded access to education, essential resources, and supportive relationships to families facing poverty, school disruption, housing instability, and mental health stress, in collaboration with South County Heals, South County Youth Task Force, and the Neighborhood Safety Unit.
4	**Project Name**	Public Services- Transit Services
	Target Area	Citywide
	Goals Supported	Increase Services for Special Populations
	Needs Addressed	Supportive Services
	Funding	CDBG: $10,000.00
	Description	Sourcewise's Transit Services Program will provide timely, free transit rides to 20 low-income 60+ and/or disabled adults to local medical/dental appointments, pharmacies, grocery stores, and to socialize at the Senior Center. HUD Matrix Code: 05E / National Objective: LMC (presumed benefit)
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	20 low/mod income Gilroy residents
	Location Description	16340 Montrey Rd. Morgan Hill, CA 95037
	Planned Activities	The Transit Services Program will provide free transit rides to Gilroy seniors and/or disabled adults to local medical appointments, pharmacies, grocery stores, and to socialize at the Senior Center.

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5	**Project Name**	Public Services- Housing and Emergency Services for Persons with Disabilities
	Target Area	Citywide
	Goals Supported	Increase Services for Special Populations and Prevent and Reduce Homelessness
	Needs Addressed	Supportive Services
	Funding	CDBG: $10,000.00
	Description	Silicon Valley Independent Living Center's Housing and Emergency Services for Persons with Disabilities Program will provide counseling, support and assistance to low-income Gilroy residents who have a disability or chronic health condition to assist in their transition from homelessness, health care facilities, or unstable or temporary housing into permanent, affordable, accessible, integrated housing. HUD Matrix Code: 05X / National Objective: LMC (presumed benefit and persons requiring income verification)
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	60 low-income Gilroy residents with disabilities.
	Location Description	7881 Church St., Ste. C Gilroy, CA 95020
	Planned Activities	The Housing and Emergency Services for Persons with Disabilities Program will serve Gilroy residents with disabilities or a chronic health condition in their transition from homelessness, health care facilities, or unstable or temporary housing into permanent affordable, accessible, integrated housing, and will provide emergency housing assistance, as funding is available, including security deposits and first month's rent, assistive technology information & referral, home accessibility modification referrals, supplemental food, and referrals to organizations that provide assistance to ensure long-term sustainability of their independent living environment.
	Project Name	Public Services- Tenant-Landlord Services

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6	**Target Area**	Citywide
	Goals Supported	Support and Preserve Affordable Housing and Increase Supportive/Public Services for Special Populations
	Needs Addressed	Supportive Services
	Funding	CDBG: $10,000.00
	Description	Project Sentinel's Tenant-Landlord Services Program will provide tenant-landlord counseling services to Gilroy residents to prevent eviction and housing instability through information and referral, case management, dispute resolution through conciliation or mediation, and community education. HUD Matrix Code: 05K / National Objective: LMC (income verification required)
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	20 low/mod income individuals
	Location Description	8339 Church St., Ste. 104 Gilroy, CA 95020
	Planned Activities	The Tenant-Landlord Services Program will provide counseling services to prevent eviction and housing instability, including information and referral, case management, dispute resolution through conciliation or mediation, and community education. Staff will educate tenants and housing providers on their rights and responsibilities and assists in resolving disputes related to terminations, rent increases, habitability, deposits, and other rental concerns.
7	**Project Name**	Housing Rehabilitation and Accessibility Modification
	Target Area	Citywide
	Goals Supported	Support and Preserve Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: $93,868.25

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	Description	Rebuilding Together Silicon Valley's Housing Rehabilitation and Accessibility Modification Program will provide low-income homeowners with free critical health and safety repairs, accessibility improvements, and limited rehabilitation for mobile homes, condominiums, and single-family homes to address urgent needs and help the beneficiaries safely age in place. HUD Matrix Code: 14A / National Objective: LMH
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	18 low/mod households
	Location Description	1701 S. 7th St.#10 San Jose, CA 95112-6000
	Planned Activities	The Housing Rehabilitation and Accessibility Modification Program will provide low-income homeowners with free critical health and safety repairs, accessibility improvements, and limited rehabilitation for mobile homes, condominiums, and single-family homes to address urgent needs. Examples of proposed work include improvements such as grab bars and ramps, limited rehabilitation for mobile homes, condos, and single-family homes. These repairs address housing instability, prevent displacement and enable older adults and individuals with disabilities to safely age in place. Their team has over 21 years of experience administering publicly funded home repair programs across Santa Clara County, securing 26.3 million in CDBG funding and completing more than 5,900 projects, and has established systems for eligibility verification, construction management, contractor oversight, and compliance reporting to ensure timely and responsible use of funds.
8	**Project Name**	Gilroy Clinic Improvements Expanding Access for the Elderly
	Target Area	Citywide
	Goals Supported	Invest in Community Development and Neighborhood Revitalization
	Needs Addressed	Community Development and Public Improvements
	Funding	CDBG: $93,868.25

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	Description	Bay Area Community Health's (BACH) Gilroy Clinic Improvements Expanding Access for the Elderly Project will utilize CDBG funding to build out its Gilroy Clinic into a Program of All-Inclusive Care for the Elderly (PACE) Center, expanding access to supportive services for low-income older adults, enabling those needing nursing-home-level care to remain in their communities, and can reduce hospital stays, improve quality of life, and lower mortality rates (AARP, 2023). None of the 3 current PACE locations in Santa Clara County are accessible to Gilroy residents. HUD Matrix Code: 03A Public Facilities/ National Objective: LMC
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	120-150 low/mod income older adults 55+, once the center reaches full operating capacity.
	Location Description	9460 No Name Uno Gilroy, CA 95020
	Planned Activities	The Gilroy Clinic Improvements Expanding Access for the Elderly Project will utilize CDBG funding to build out its Gilroy Clinic into a Program of All-Inclusive Care for the Elderly (PACE) Center. This project will expand access for LMI older adults in Santa Clara County to supportive public services to overcome barriers to care isolation, cultural stigma, limited awareness of the importance of healthcare, lack of healthcare coverage, and inadequate transportation options. BACH has successfully implemented capital building projects across its clinics, including the purchase of two clinics, ADA compliant upgrades, HVAC and ventilation system installations, exam room and reception area renovations. BACH has a demonstrated track record of success in managing CDBG grants, will maintain documented control of the build-out and is prepared to provide timely information to complete the required environmental review. The scope and timeline are consistent with CDBG requirements, and requested funds are proportional to the project's overall cost, with other project funds already secured.
9	**Project Name**	Sidewalk Improvements
	Target Area	Citywide
	Goals Supported	Invest in Community Development

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	Needs Addressed	Community Development and Public Improvements
	Funding	CDBG: $93,868.25
	Description	City of Gilroy Public Works' Sidewalk Improvements Project provides much needed accessibility improvements at San Ysidro Park and downtown Gilroy on 7th Street, including ADA-compliant concrete path, curb ramps, sidewalk, curb, gutter, and other incidental items within two low-income census tracts, to meet accessibility compliance and create safe pedestrian pathways. HUD Matrix Code: 03L: Sidewalk Improvements / National Objective: LMA
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	3,452 low/mod income individuals
	Location Description	San Ysidro Park and downtown Gilroy on 7th Street
	Planned Activities	The Sidewalk Improvements Project will provide much needed accessibility improvements at San Ysidro Park and downtown Gilroy on 7th Street, including ADA-compliant concrete path, curb ramps, sidewalk, curb, gutter, and other incidental items within two low-income census tracts (5126.03 and 5126.04), to meet the accessibility needs of the community by providing vital upgrades. The work includes the furnishing of all labor, materials, incidentals necessary to perform the design and construction of public improvements.
10	**Project Name**	Program Administration
	Target Area	City Wide
	Goals Supported	Planning and Administration
	Needs Addressed	N/A
	Funding	CDBG: $80,000.00

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	Description	CDBG Funds will be used to pay for staff time and consultant time related to the overall management and administration of the CDBG Program. HUD Matrix Code: 21A General Program Administration
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	CDBG Funds will be used to pay for staff time and consultant time related to the overall management and administration of the CDBG Program.

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AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City will continue to utilize CDBG funding to support citywide efforts that primarily meet the needs of the low-income community through the funded non-public service and public service projects.

Geographic Distribution

Target Area	Percentage of Funds
Citywide	100

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The city falls just under the citywide LMA (Low- and Moderate-Income Area) definition, with 51% of the population falling within the Low- and Moderate-Income category. All public services and housing activities will serve LMI persons, families, and households citywide.

Discussion

See above.

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AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

The City is subject to the same barriers to affordable housing that exist across the Bay Area. These issues include the high cost of development, constraining the development of affordable housing units in favor of higher-end units, and the lack of developable land, which prevents housing development and increases the price of land.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In its 2023 - 2031 Housing Element, the City of Gilroy identified goals, policies, and programs to remove or ameliorate barriers to affordable housing, including:

Goals and Policies:

Goal 1. Housing Production. Provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types.

- **Policy 1.1. The City shall encourage the provision of a variety of housing options for Gilroy residents.**
- **Policy 1.2. The City shall strive to ensure adequate land is available at a range of densities to meet Gilroy's existing and projected housing needs.**
- **Policy 1.3. The City shall encourage the provision of new affordable housing.**

Goal 2. Removal of Government Constraints. Remove or reduce governmental constraints to the development, improvement, and maintenance of housing where feasible and legally permissible.

- **Policy 2.1. The City shall periodically review City regulations, ordinances, permitting processes, and residential fees to ensure that they do**

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not unreasonably constrain housing development and are consistent with state law.

• Policy 2.2. The City shall continue to provide individuals with disabilities reasonable accommodation through flexibility in the application of land use or zoning when necessary to eliminate barriers to housing opportunities.

• Policy 2.3. The City shall consider the development of single-room occupancy units, studio apartments, micro-units, and other similar unit types that are affordable to extremely low-income residents in higher-density areas of the city.

Programs updated with CY 2025 progress:

- **Program A-2. Surplus Lands/Affordable Housing on City-Owned Sites.** In Progress - Surplus lands are documented in the Annual Progress Report, which is presented to the City Council annually in March and subsequently provided to HCD annually on or before April 1st. City staff has submitted 4 properties to HCD that have been declared as surplus.

- **Program A-5. Revise Neighborhood District Policy.** In Progress - The City is participating in the Santa Clara County Planning Collaborative's Grand Nexus/Affordable Housing Study, which includes a Residential Feasibility Study, an Affordable Housing Analysis, a Residential Nexus Analysis (for small developments), and a Commercial Nexus Study and Feasibility Analysis. Upon completion of the study and implementation of prescribed affordable housing standards, the City will update the Neighborhood District policy to include relevant affordable housing standards adopted by the Council

• Program A-10. Facilitate Missing Middle/Middle Income Housing. Completed and Continuous - A Zoning Amendment implementing this program was adopted on June 3, 2024, Ordinance No. 2024-01. City staff members have been part of the Santa Clara County Planning Collaborative Missing Middle workgroup where cities have come together to share information and learn about opportunities for missing middle housing and to learn about the economics of missing middle housing. The City currently has two projects in the pipeline including a townhome development and an apartment complex, that may be an option for housing for middle income households. Accessory Dwelling Units are also a viable option for missing middle income households. Gilroy has permitted an average of 36 ADUs per year between 2023-2025. The Housing Trust Silicon Valley has a program for first time homebuyers called the "Homebuyer Empowerment Loan Program" (HELP) that missing middle income households can qualify for - links to this program can be found on the City's Housing and Community Services "Homebuyer Assistance" webpage. The City recently prepared a list of all corners lots in R1 and R2 zones that are greater than 8,000 sq ft with single family homes that could be eligible for SB 9. Information is being mailed to the homeowners at each lot to make them aware of the opportunity. Additional information

about these sites can be found on the City Senate Bill 9 webpage.

• **Program A-11. Inclusionary Housing Policy.** In Progress - The City originally hired a consultant who conducted an Inclusionary Housing Feasibility Analysis and recommended that a policy for both ownership and rental projects be future-tested and planned for improved economic conditions in the future. The City pivoted and joined the Santa Clara County Planning Collaborative's Grand Nexus/Affordable Housing study, which will encompass a Residential Feasibility Study, an Inclusionary Analysis, a Residential Nexus Analysis (for small developments), and a Commercial Nexus Study and Feasibility Analysis. The Grand Nexus study will include an in-lieu fee component

• **Program A-12. Incentives Beyond Density Bonus State Law.** In Progress - The City originally hired a consultant who conducted an Inclusionary Housing Feasibility Analysis and recommended that a policy for both ownership and rental projects be future-tested and planned for improved economic conditions in the future. The City pivoted and joined the Santa Clara County Planning Collaborative's Grand Nexus/Affordable Housing study, which will encompass a Residential Feasibility Study, an Inclusionary Analysis, a Residential Nexus Analysis (for small developments), and a Commercial Nexus Study and Feasibility Analysis. The Grand Nexus study will include an in-lieu fee component. The City has partnered with Santa Clara County Office of Supportive Housing and the Santa Clara County Housing Authority to move forward a 100% affordable housing project on a County-owned property that will focus on housing for agricultural workers, where the City has agreed to waive impact fees for this development. While this is not a standard City policy, it demonstrates the City's interest in supporting housing incentives for households with special housing needs.

• **Program B-1. Residential Development Ordinance (RDO) Removal.** In Progress – The RDO will be removed as part of the City's ongoing effort to implement the Housing Element through a comprehensive zoning ordinance update. Although the RDO has not been repealed from the code, SB 330 and SB 8 make the ordinance null and void. Additional information is available on the Senate Bill 330 (SB 330) webpage.

• **Program B-2. Zoning and General Plan Densities.** In Progress – The City is in the process of preparing a comprehensive zoning ordinance update to implement the Housing Element. All submitted projects will continue to be processed in compliance with applicable State law, both prior to and following adoption of the code amendment.

• **Program B-5. Permit Streamlining -** In Progress – The City is preparing a comprehensive zoning ordinance update that includes streamlining the development processes for historic structures and districts. The Building Division website includes example residential permits in compliance with AB 2234. The City has implemented streamlined permitting for all SB 9 applications and follows the zoning ordinance for determining whether an addition on a historic site creates a significant impact requiring a discretionary review.

• **Program B-6. Objective Standards -** In Progress - A draft zoning ordinance that includes objective development standards and findings of approval is in process. The City will also evaluate design guidelines per this program. Affordable housing project objective standards will be

updated upon adoption of an Affordable Housing Ordinance. The City has adopted Objective Design Standards for mixed-use residential and multi-family residential projects.

• **Program B-7. Zoning Ordinance Update.** In Progress - The zoning amendment adopted by the City Council on June 3, 2024 (Ordinance No. 2024-01) includes a requirement for the replacement of demolished units on the Sites Inventory and a clarification regarding FAR in mixed-use projects. The remaining items will be considered within the comprehensive zoning ordinance update.

• **Program B-8. Entitlement Road Webpage. Completed -** Completed - Posted on City website

• **Program B-9. Building Department Webpage.** Completed - The Building Division website was updated in 2023 to include example residential permits in compliance with AB 2234. The website includes plan submittal checklists (for application completeness), and example permits that received a final building permit approval. The example permits include accessory dwelling units, duplexes, multifamily / mixed-use projects, townhomes, custom single-family home, and single-family tract home. The website continues to be updated as required by new legislation or zoning updates.

• **Program B-10. Zoning Code Annual Updates. In Progress -** Continuous - The City updated the Accessory Dwelling Unit Ordinance in 2023 and 2025, created a webpage with a list of properties that can be approved ministerially pursuant to Government Code Section 65583.2, and will be completing a comprehensive update of the entire Zoning Ordinance to implement other Housing Element programs.

• **Program C-1. Monitoring of Units At Risk of Converting to Market Rate -** Continuous - The City reviews affordable housing term expirations as part of its annual monitoring program. In 2025, the City collaborated with the County of Santa Clara Office of Supportive Housing to implement a Pilot Below-Market-Rate Preservation Program. During 2025, the City used a loan from the County to purchase a resale BMR senior home and resold to another low-income senior household. The City expects to process one City/County Pilot BMR Preservation program unit annually. The City is participating in the Santa Clara County Planning Collaborative comprehensive Grand Nexus/Affordable Housing Study, which will encompass a Residential Feasibility Study, an Affordable Housing Analysis, a Residential Nexus Analysis (focused on small developments), and a Commercial Nexus Study and Feasibility Analysis. The Grand Nexus study will include an in-lieu fee component.

• **Program C-2. Housing Rehabilitation.** Continuous - In FY 2022-23, Rebuilding Together Silicon Valley was awarded a CDBG grant for $140,000. In FY 2023-24, Rebuilding Together Silicon Valley was awarded a CDBG grant for $258,000. In FY 2024-25, Rebuilding Together was awarded a CDBG grant for $179,942.32. In FY 2025-26, Rebuilding Together was awarded a CDBG grant for $149,199.59. Program information is available on the City Block Grant Funds & Home Modification webpages. Annually, City staff and Rebuilding Together staff present the program at

the Senior Center. The City will facilitate TEFRA hearings, as needed.

• **Program C-4. Resale Control on Owner Occupied Below Market -Rate Units.** Continuous - Annually, the BMR Program Administrator conducts compliance monitoring for BMR portfolio homes. In 2024 and 2025, the City's BMR Administrator and City staff conducted a community meeting to answer questions and explain resale restriction agreements to current homeowners. In 2024 and 2025, the City's BMR Program Administrator conducted a compliance certification via mail to confirm that residents were complying with their resale agreement and restrictions. The City BMR Administrator Gilroy webpage also offers over 20 different "how-to" and "info" videos about the program, along with monthly FAQ virtual meetings where homeowners can ask questions. City staff has collaborated with the Santa Clara County Office of Supportive Housing to create a Pilot BMR Preservation Program - see C-1 above.

• **Program C-5 – Resale Control on Rental Below Market Rate Units.** Continuous - For renter-occupied units in 100% affordable developments, the BMR Program Administrator sends information to property owners regarding resale restrictions outlined in their Regulatory, Loan, or Density Bonus Agreements and conducts an annual compliance audit. In 2025, the City BMR Administrator completed outreach and administered the annual re-certification procedures for 100% affordable housing developments to confirm compliance with City and other regulatory agreements.

• **Program C-6 – Identification and Preservation of At-Risk Units.** Continuous - The City's BMR Program Administrator continues to update the City's inventory of BMR units. City staff have collaborated with the Santa Clara County Office of Supportive Housing to create a Pilot BMR Preservation Program (see C-1 above). This process provides an opportunity to purchase and to resell low-income BMR units to remain in the program for an additional 30 years. In 2025, one unit was purchased and resold to another low-income senior household. The low-income household utilized County and City down payment assistance to purchase the home. When units become available for resale, the new program will enable the City to purchase and maintain affordability for other low-income households.

• **Program D-2- Funding Sources to Assist Homeownership.** Continuous - The City's webpage provides information on homebuyer assistance, including the Santa Clara County Homebuyer Empowerment Loan Program (HELP), the California Housing Finance Agency (CalHFA) First Mortgage Programs and Down Payment Assistance Programs, and the CalHFA's Accessory Dwelling Unit (ADU) Grant Program. In 2025, the City conducted workshops in English and Spanish with over 232 attendees to inform the community of these resources. The City has BEGIN and CalHome ReUse Down Payment Assistance loans available for low-income households and used BEGIN funds for down payment assistance on the Pilot BMR Preservation Program resale unit - see C-1 above.

• **Program D-4 – Pursue Funding for Affordable Housing.** Continuous - Permanent Local Housing Allocation (PLHA) funding from the State through application and partnership with Santa Clara County is anticipated to occur in 2026. The City continues to receive annual CDBG funding and supports two 100% affordable developments with 0% interest rate CDBG loans, allowing them to refinance and rehabilitate the properties. City staff will apply for Federal Housing Trust Fund funding, if available, in 2026. The City is participating in the Santa Clara County Planning

Collaborative Grand Nexus/Affordable Housing Study, which may suggest housing in-lieu fees as part of a possible Affordable Housing Policy. The Grand Nexus study will include an in-lieu fee component. See A-11 above. The City has been working in collaboration with the Santa Clara County Office of Supportive Housing and the Santa Clara County Housing Authority to plan the affordable housing development at 8th and Alexander Streets in Gilroy. See A-14 above. There is one 100% affordable housing development expected to have building permits issued in 2026 - this development will contain 94 units. City has provided all necessary documentation for funding and entered into a Density Bonus Agreement for the project. City staff directs developers to the City's opportunity sites and hosted a Developer Roundtable in May of 2025, with plans to host annually.

• **Program E-1 – Priority Water and Sewer Service for Affordable Housing Developments -** Continuous - This policy is currently in place and used in standard practice. The City has not identified a need to update the Policy. The City of Gilroy provides sewer and water services to all residents. The 2023-2031 Housing Element has been posted on the City's website. The City's water and sewer service website also provides information on the Low-Income Household Water Assistance Program. The City also promotes City funded rental and utility assistance available to low-income residents via monthly utility bills and Utility website.

• **Program E-5 - Incentivize M-Units.** In Progress - A draft zoning ordinance amending regulations for efficiency units is under preparation and will be presented to the Planning Commission and City Council upon completion. In the meantime, all submitted projects are being processed in compliance with applicable State Law, both prior to and following adoption of the code amendment.

• **Program E-6 - Parking Requirements for Senior Housing.** In Progress - The City will conduct a study to determine if updated senior parking standards should be included in the Zoning Ordinance update. The implementation status will be updated in future years in accordance with this program. Preliminary data has been collected by City staff, and this will be included in the comprehensive zoning code update.

• **Program E-10 – Development and Rehabilitation of Housing for Persons with Disabilities.** In Progress - A Zoning Amendment including streamlining the permit process for residential care homes was adopted on June 3, 2024, Ordinance No. 2024-01. The modified reasonable accommodation findings will be part of the comprehensive zoning code update.

• **Program E-11 - Housing for Extremely Low Income and Special Needs Households.** Continuous - The City received Permanent Local Housing Allocation (PLHA) funding from the State through application and partnership with Santa Clara County. The City will apply for Federal Housing Trust Fund funding, if available, in 2026. The City is participating in the Santa Clara County Planning Collaborative Grand Nexus/Affordable Housing Study that may develop housing in-lieu fees as part of a possible Affordable Housing Ordinance. See A-11 above for update. City has been working in collaboration with Santa Clara County Office of Supportive Housing and the Santa Clara County Housing Authority to plan the potential affordable housing development at 8th and Alexander Streets in Gilroy. See A-14 above for further project updates. The fully entitled 100% affordable housing development on Monterey Street will provide at least 21 units restricted to households earning 50% AMI or less.

Developer Roundtables are planned at a minimum annually each May, with the first one held in 2025. The Pilot BMR Preservation program provided housing for one new low-income senior household through acquisition and down payment assistance from both the County and the City. See C-1 above for Pilot BMR Preservation Program update. The City continues to provide community outreach regarding the Santa Clara County Manufactured Home Purchase program and to seek funding to rehabilitate local mobile home parks to add more units**.**

- **Program E-13- Permanent Supportive Housing -** Completed - A Zoning Amendment implementing this program was adopted on June 3, 2024, Ordinance No. 2024-01.

- **Program F-4 - Housing Mobility and Choice in Higher Opportunity Areas -** Continuous - An update on each of these programs is identified under their respective program number. See A-10, A-11, and A-12 above.

- **Program G-1 – Collaboration with Development Community -.** In Progress - City staff created a list of Gilroy developers over 2023 and 2024 while conducting outreach for CDBG Consolidated Plan, the Affordable Housing Feasibility Study, the Grand Nexus/Affordable Housing Study, and Station Area Visioning Study outreach, and through Planning and Building permit applications. The first annual Developer Roundtable was hosted in May of 2025.

- **Program G-3 - ADU Education. In progress -** In Progress - The City Building and Planning Divisions' ADU webpages were consolidated, with a link to pre-approved ADU plans gallery. City staff tracks ADU permit issuance and will collaborate to create an ADU marketing program and encourage residents to participate in the Santa Clara County ADU loan program with expected funding in late 2026.

Discussion

See above.

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AP-85 Other Actions - 91.420, 91.220(k)

Introduction

See below.

Actions planned to address obstacles to meeting underserved needs

The Needs Assessment and Market Analysis of the 2025-2030 Consolidated Plan helped develop the city's priority needs for LMI persons, persons experiencing homelessness, special needs populations, and community service needs.

Actions planned to foster and maintain affordable housing

Rebuilding Together Silicon Valley will provide minor home repair, accessibility, and rehabilitation projects for LMI homeowners. These rehabilitation projects are for homeowners who otherwise could not afford to make critical repairs in their homes, thus potentially resulting in health and safety issues that could cause a home to become uninhabitable and may lead to homelessness. Additionally, a home that lacks proper accessibility for its owner may lead to a serious accident that could cause an even larger physical and financial burden. In PY 2023-2024, Rebuilding Together Silicon Valley increased its allowable amounts/awards to homeowners with the aim of completing a few larger scale projects that will preserve affordable housing for these low-income homeowners. For PY 2025-2026, the City Council directed resources toward completing more small-scale projects to ensure broader public benefit and reach more residents rather than larger, costly projects.

Actions planned to reduce lead-based paint hazards

The City provides information about lead-based paint hazards at the Community Development counter for properties being rehabilitated or acquired for affordable housing.

Additionally, when applicable, any homeowner units that participate in Rebuilding Together Silicon Valley's affordable housing project will be assessed for possible lead-based paint prior to rehabilitation.

Actions planned to reduce the number of poverty-level families

The City works to reduce the number of poverty-level families through all projects by making the projects available to LMI households citywide. Some projects were created to address the need to expand economic opportunities for lower-income people, and others may offer additional benefits in reducing poverty, simply by way of design.

- Carry the Vision's Peer to Peer Support for Unhoused Residents Program will work with individuals experiencing homelessness in collaboration with local outreach teams, service

providers, Quality of Life Officers, City staff and community partners to complement existing homelessness response efforts and strengthen coordination in Gilroy, resulting in increased stabilization, trust, and consistent engagement.

- Shine Together's Young Mothers Support Services Program will provide young low-income mothers between the ages of 13-25 with expanded access to education, essential resources, and supportive relationships to families facing poverty, school disruption, housing instability, and mental health stress, in collaboration with South County Heals, South County Youth Task Force, and the Neighborhood Safety Unit.
- Silicon Valley Independent Living Center's Housing and Emergency Services for Persons with Disabilities Program will serve Gilroy residents with disabilities or a chronic health condition in their transition from homelessness, health care facilities, or unstable or temporary housing into permanent affordable, accessible, integrated housing, and also provides emergency housing assistance, as funding is available, including security deposits and first month's rent, assistive technology information & referral, home accessibility modification referrals, supplemental food, and referrals to organizations that provide assistance to ensure long-term sustainability of their independent living environment. The project provides housing search services that benefit low- or extremely low-income persons with disabilities, of all ages, including seniors and youth.
- Sourcewise's Transit Services Program will provide free transit rides to Gilroy seniors and/or disabled adults to local medical appointments, pharmacies, grocery stores, and to socialize at the Senior Center.
- Project Sentinel's Tenant-Landlord Services Program will provide counseling services to prevent eviction and housing instability, including information and referral, case management, dispute resolution through conciliation or mediation, and community education. Staff will educate tenants and housing providers on their rights and responsibilities and assist in resolving disputes related to terminations, rent increases, habitability, deposits, and other rental concerns.
- Project Sentinel's Fair Housing Program provides services to address the incidence of illegal housing discrimination by investigating complaints, administering systemic audits, conducting community outreach and education, and seeking redress for victims of such discrimination. The agency also educates housing providers in an effort to prevent fair housing complaints.

Actions planned to develop institutional structure

The City is financially constrained and cannot meet all the needs identified in the Needs Assessment; however, the City continues to enter into partnerships with nonprofits to strategically address some community needs, as well as seek additional funding to work to meet all needs identified in the Needs Assessment. An especially pressing issue is meeting the needs of the City's growing unhoused population. The City will continue to provide a platform for collaboration and partnership between the City and service providers to connect unhoused individuals and families with services through the monthly USPN meetings. Additionally, the City provides resources and information for unhoused

individuals on its website at https://www.cityofgilroy.org/unhoused

Actions planned to enhance coordination between public and private housing and social service agencies

- In 2023, 2024, and 2025, City staff continued monthly meetings and collaboration with Santa Clara County Office of Supportive Housing (OSH) staff regarding the development of affordable housing at the County-owned property located at 8th and Alexander. After City and County staff drafted a Request for Offers (RFO) to be presented to affordable housing developers, the Santa Clara County Housing Authority approached the County about developing the property. During 2025, the Santa Clara County Housing Authority (SCCHA) contracted with FORA to begin creating a community outreach plan and to begin reaching out to local stakeholders. City staff connected FORA with local stakeholders and community members in 2025 to begin the community outreach process. Eight stakeholder meetings have been conducted, and the community outreach stakeholder process is expected to be complete in 2026. Public outreach is also expected to occur in 2026.

- The City has joined the Santa Clara County Office of Supportive Housing BMR Partnership Program, which has an ADU and JADU loan component. The program will allow borrowers to use the funding to purchase a home with an ADU or JADU, to construct a new ADU or JADU, or to repair, reconstruct, or rehabilitate an existing ADU or JADU, which may include converting existing space to add to an ADU or JADU. City staff will promote the County program in high resource areas in Gilroy. The County hopes to have funding for the ADU portion of the partnership during FY 2026.

- In 2025, the City collaborated with the County of Santa Clara Office of Supportive Housing to implement a Pilot Below-Market-Rate Preservation Program. During 2025, the City used a loan from the County to purchase a resale BMR senior home and resold to another low-income senior household. The City expects to process one City/County Pilot BMR Preservation program unit annually.

Discussion

Please see discussion above.

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Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(l)(1,2,4)

Introduction

The City will continue to collect additional revenue to support the actions noted in the Annual Action Plan. Program Income is collected from various sources to include repayment of past rehabilitation loans. The City does not anticipate receiving any program income in PY 2026-2027.

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	**0**

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low- and moderate-income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low- and moderate-income. Specify the years covered that include this Annual Action Plan.	100.00%

Discussion

The City will strive to achieve an overall benefit of 100% for this Annual Action Plan, which will span one year. The overall benefit will be measured for PY 2026-2027.

DRAFT Citizen Participation Plan

The Consolidated Plan (Con Plan) is – required by the U.S. Department of Housing and Urban Development (HUD) for jurisdictions to continue to receive federal housing and community development funding. The City of Gilroy (City) receives Community Development Block Grant (CDBG) funding annually as an entitlement community. The Con Plan examines the housing and community development needs of the City, sets priorities for the CDBG funds, establishes an Annual Action Plan (AAP) for meeting current and future needs, and evaluates the City's performance in meeting its annual goals through the Consolidated Annual Performance Evaluation Report (CAPER).

Purpose of the Citizen Participation Plan

The City recognizes the importance of public participation in both defining and understanding current housing, community development, economic development, and fair housing needs, and prioritizing resources to address those needs. The City's Citizen Participation Plan (CPP) is designed to provide residents of all ages, sex, economic levels, races, ethnicities, and special needs, equal access to become involved in the Con Plan each year. This CPP was written in accordance with *24 CFR, Section 91.105* of HUD's Consolidated Plan regulations.

To ensure maximum participation in the federal plans and reports process among all populations and needs groups, and to ensure that their issues and concerns are adequately addressed, the City will follow the standards set forth in its adopted CPP during development of its federal plans and reports. The participation process will be developed and monitored by the City's Housing and Community Services Division (HCS).

Encouragement of Citizen Participation

The federal plans and reports process offers opportunities for resident participation through public meetings and review of draft documents. The City encourages participation of persons with special needs and/or persons who are often underrepresented in the public process.

The City shall encourage the participation of:

- **Extremely low-income persons;**
- **Low- and moderate-income persons;**

- **Persons with Spanish as their primary language**
- **Residents of slum and blighted areas and areas where CDBG funds are proposed to be used;**
- **Residents of public and assisted housing developments;**
- **Persons experiencing Homelessness and homeless service providers, including the local Continuum of Care (CoC);**
- **Fair housing organizations and agencies;**
- **Local and regional institutions and other stakeholders involved in housing and community development activities.**

Outreach

The City will conduct outreach as necessary to encourage individuals, groups, and organizations identified above to provide input for any federal plans and reports. Outreach may include:

- Developing informational materials and flyers in multiple languages (at least English and Spanish) to distribute to other agencies.
- Placing notices in local newspapers in English and when practical and possible in Spanish (Gilroy Dispatch, San Jose Mercury News).
- Providing email notices to interested parties.
- Posting notices at City Hall, Gilroy Library, on the City's website, in the Email Express, and social media platforms.
- Outreach efforts will be provided in the Spanish language as much as possible and with good-faith effort at a minimum through the South County Collaborative listserv, Unhoused Service Providers Network, and the South County Youth Task Force.
- Direct outreach to public housing residents and the Housing Authority.
- Coordination with the local CoC, homeless service providers, and other community resource providers.

Citizen Comment

Prior to the adoption of any federal plan, report, or amendments thereto, the City will make available to interested parties the draft documents for a comment period of no less than 30 days, 15 days for the CAPER, or as otherwise directed by HUD. The dates of the public comment periods will be identified in a notice regarding the availability of the documents, which will be published in a newspaper of local circulation as identified above.

Draft documents will include a summary of:

- **The funding allocation the City expects to receive;**
- **The range of activities that may be undertaken;**

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- **The estimated amount that will benefit low- and moderate-income persons;**
- **The City's proposed uses of funds; and**
- **The City's performance under previously funded activities.**

The City will consider any comments by individuals or groups received in writing regarding federal plans or reports and received at the public hearing(s). A summary of the written and oral comments received during the comment period will be included in the applicable federal plan or report.

Access to Records

The City will provide residents, public agencies, and other interested parties with reasonable (up to five years after the end of each Program Year (PY)) and timely access (within 10 days of confirmed Public Records Request (PRA)) to information and records relating to the Consolidated Plan, Annual Action Plan, substantial amendments, CAPER, and the City's use of CDBG funds.

Access will include:

- **Proposed uses of funds and funding amounts;**
- **Performance reports (including the CAPER);**
- **The Residential Anti-Displacement and Relocation Assistance Plan; and**
- **Records related to past use of funds and program outcomes.**

The City will provide technical assistance to groups representing low- and moderate-income persons that request assistance in developing applications or commenting on plans.

1. In general, the City and subrecipients must retain records on CDBG-funded activities for the longest of the following minimum standards*:

- Three years after the expiration or termination of the subrecipient agreement
- Three years after the City's submission of the CAPER in which a specific activity is reported for the last time (24 CFR 570.502(a)(7)(ii)(A))

2. Retain records for individual activities subject to the reversion of assets provisions at 24 CFR 570.503(b)(7) for as long as this provision continues to apply to the activity (24 CRF 570.502(a)(7)(2)(B)).

3. Retain records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities until such receivables or liabilities have been satisfied (24 CFR 570.502(a)(7)(ii)(C))

4. If any litigation, claim audit, negotiation, or other action involving your records has

started before the expiration of the 3-year period, records must be retained until all findings involving the records have been resolved and final action is taken (2 CFR 200.334.(a))

5. For the City's protection, CDBG records must be retained for a minimum of five years after the expiration or termination of the subrecipient agreement.

*It is always theoretically possible that a federal entity like the HUD Office of the Inspector General (OIG) or the General Accounting Office (GAO) may show up to perform an audit after the three years have elapsed and request to access such records concerning some questionable costs. Therefore, even after the three years, for protection, you may want to place the records in storage for an additional year or two, rather than discard them (Chapter 5: Recordkeeping and Reporting Requirement, Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems)

Amendments

Minor Amendments

Minor amendments are those that maintain the integrity of the associated plan and do not include any substantial change in policy or in funding priorities while still maintaining flexibility in meeting the goals and objectives. Minor amendments will be made administratively and will be incorporated into the City's CAPER at the end of the program year.

Substantial Amendments

Substantial amendments are those that (a) change the allocation priorities or the method of fund distribution by more than $100,000; (2) carry out an activity using funds from any program covered in the Con Plan that was not previously described in the AAP; (3) change the purpose, scope, location or beneficiaries of any activity; or (4) change use from one eligible activity to another eligible activity.

Minor adjustments to funding levels for activities described in the Con Plan due to differences in actual versus anticipated program income are not considered substantial.

Any substantial amendment to the Con Plan will be incorporated into the Con Plan after a 30-day public comment period and public hearing, encouraging input on the proposed substantial amendment, unless otherwise permitted by HUD. Notice of the opportunity for public comment will be distributed as outlined in the "Outreach" section of this CPP.

Temporary Citizen Participation Plan Amendments

In response to urgent situations or pandemics, the City will adopt HUD regulatory waivers regarding Citizen Participation timeliness, ensuring rapid access to critical CDBG funds.

Public Hearings/Meetings

In accordance with HUD regulations, the City will hold at least two public hearings a year to obtain

residents' views and to respond to applications for funding and questions. The two hearings will be conducted at a minimum at two different stages of the program year. At least one of the public hearings will be held before the draft Con Plan is published for comment.

Between the two hearings, staff shall address:

- **Housing and community development needs, development of proposed activities, and review of program performance;**
- **Include discussion of past performance and use of funds.**

Public hearings will be held at times and in locations (in person or virtual) that are convenient to potential and actual beneficiaries, with accommodations for persons with disabilities.

When non-English speaking members of the public attend a public hearing or meeting in the City Council Chambers, non-English speaking participants can access the City's Wordly AI Translation tool in the language of their choice, by scanning a QR code available in the City Council Chambers; Spanish is the default language captioned on several screens

Public Hearing Notices

If any federal plan or report requires a public hearing, the public shall be provided notice of the hearing as follows.

- **Contents of Notice**: The contents of a notice of a public hearing shall include:
    - The date, time, and place (e.g., address, room, etc.) of the hearing.
    - A general description of the program and document that are the subject of the hearing.
    - A statement that any interested person is invited to appear and be heard on the request or proposal.
    - A statement that a copy of the plan/report is available at City Hall and the Gilroy Library, including the addresses.
    - The phone number, email, and street address of staff so an interested person can call, email, or visit to obtain additional information.
    - Any additional information as may be required under applicable state or federal law, including information required under the City's implementation of the Americans with Disabilities Act (ADA).

- **Method of Notice Distribution**: Notice of a public hearing required by this CPP shall be given as follows:
    - **Newspaper Publication**: Notice shall be given at least once by publication in at least one newspaper of general circulation in the City a minimum of 10 days prior to the scheduled public hearing, more particularly in the *Gilroy Dispatch* and/or *San Jose Mercury News (last resort option)*.

- **Site Posting**: The City shall post notices in at least two public places within the City boundary (City Hall and Library).

Online Posting: Notice shall be given at the HCS website https://www.cityofgilroy.org/cdbg

Availability of Draft and Final Documents to the Public

All draft and final federal plans and reports will be available on the City's website, at the City's HCS office, and the Gilroy Library.

During the comment period for federal plans and reports, copies will be available for public review in the following locations:

1. HCS Division — 7351 Rosanna Street
2. Gilroy Library — 350 W. Sixth Street

Technical Assistance

HCS staff will provide technical assistance to subrecipients and any person or group interested in commenting on federal plans or reports or in developing CDBG funding applications. All new applicants or returning applicants with new activities are required to meet with HCS staff to discuss the proposed activity's eligibility prior to the deadline provided in the application packet.

Complaints

Within 15 working days of receipt, HCS will provide a timely, substantive written response to every written citizen complaint related to the applicable federal plan or report. A summary of any written complaints received during the comment period will be included in the applicable federal plan or report.

Public Review of the Citizen Participation Plan

This CPP was made available for public review and comment prior to adoption, in accordance with the public notice, public hearing/meeting, and public comment procedures described herein. Any substantial amendments to this CCP will be made available for public review and comment through the same process prior to adoption. This CPP will be available on the City's HCS website. Copies will also be made available to those that do not have internet access at no charge and will be made available in a format accessible to persons with disabilities, upon request. Interested residents should call or email HCS to request a copy of the CPP.

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Acceptance of Fiscal Year 2024-25 Annual Comprehensive Financial Report (ACFR)**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Finance
Submitted by:	Harjot Sangha, Finance Director
Prepared by:	Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS: Develop a Financially Resilient Organization

RECOMMENDATION

Accept and file the report.

EXECUTIVE SUMMARY

Accept and file the audited Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025 (FY25).

ANALYSIS

Following the close of each fiscal year on June 30th, the City's external auditors conduct an audit of the City's financial records and assist in the compilation of the ACFR.

The objective of external financial reporting is to ensure accountability. The goal of a financial statement audit is to provide users with reasonable assurance from an independent auditor that the information presented in the statements is reliable. The audit for the fiscal year ended June 30, 2025, was completed by The Pun Group, LLP (Auditor), Certified Public Accountants.

In conjunction with the annual audit, the City prepares the ACFR to comply with the requirements to receive the Certificate of Achievement for Excellence in Financial Reporting administered by the Government Finance Officers Association (GFOA). The The Certificate of Achievement is a prestigious national award recognizing compliance with the highest standards for the preparation of state and local government financial reports. The City's ACFR has received this award for the previous 20 fiscal years, most recently for FY24, and staff believe the current report (FY25) continues to conform to GFOA's highest standard.

As a result of their annual independent audit of the City's financial records and statements, the Auditor has rendered an unmodified ("clean") opinion, the optimal opinion issued by independent auditors, on the City's financial statements for the fiscal year ended June 30, 2025.

A detailed analysis of the City's financial position as of June 30, 2025, is included in the Management Discussion and Analysis (MD&A) in the ACFR attached to this staff report. In accordance with Government Auditing Standards, the auditors also identify any deficiencies in internal control over financial reporting and provide recommendations to City management to correct them. No such deficiencies in internal controls were identified during the FY25 audit.

Summary of the highlights are as follows:

Citywide: The City's overall net position increased by $34.4 million to $424.4 million from the prior fiscal year (FY24). Of the total net position, $139.1 million, or about 33%, remains unrestricted, $85.1 million, or about 20%, is restricted from various programs, and the majority of the remaining $200.4 million, about 47%, consists of net investment in capital assets.

General Fund: For ACFR purposes, the City combines its Sidewalk Repair, Golf Course, and Community Recreation special revenue funds, along with few other minor depository funds with the City's General Fund for financial statement presentation as required under Governmental Accounting Standards Board (GASB) Statement 54.

- Revenues: Actual revenues, excluding transfers, in the General Fund were $69.7 million, $0.7 million better than the final budget, primarily due to better-than-budgeted investment income during the fiscal year of about $1.1 million, and other miscellaneous one-time revenue of $0.9 million. Tax revenues came in $1.5 million under budget, notably in sales tax, which was $1.3 million, or about 6%, less than budget due to a decline in consumer spending, and transient occupancy tax, which was $0.5 million less than budget.

- Expenditures: Actual expenditures, excluding transfers, in the General Fund were $72.3 million, $4.6 million less than the final budget, primarily due to operational savings across all departments, and lower than budgeted capital outlay for the

citywide sidewalk replacement and pavement rehabilitation project. It is essential to note that although the actual expenditures were $4.6 million less than the final budget, the General Fund had over $1.5 million in outstanding encumbrances and commitments on June 30, 2025, which carried forward to the next fiscal year.

- Fund Balance: The fund balance (for ACFR purposes) in the General Fund decreased by $1.7 million to $41.0 million from the prior year, notably due to planned spend down of the excess reserves during the fiscal year on one-time capital investments.

ALTERNATIVES

None, as it is an acceptance of the report.

FISCAL IMPACT/FUNDING SOURCE

There are no direct fiscal impacts to receiving and filing the ACFR. The audit provides Council and other stakeholders with the assurance that the City is meeting its obligation for producing financial reports that are presented fairly and accurately. The annual financial audit is part of the Finance Department's annual workplan, thus the resources and costs associated with the audit and preparation of the report are included in the adopted budget.

Attachments:

1. Annual Comprehensive Financial Report as of June 30, 2025

CITY OF gilroy™ CALIFORNIA

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CITY OF GILROY CALIFORNIA YEAR ENDED JUNE 30,2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

CITY OF
gilroy
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City of Gilroy

Gilroy, California

Annual Comprehensive Financial Report and Independent Auditor's Reports

For the Year Ended June 30, 2025

Prepared by Finance Department

Harjot Sangha, Finance Director
Rosemary Guerrero, Finance Manager
Kellie Ullom, Accountant
Erika Pacheco, Accountant

City of Gilroy
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

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INTRODUCTORY SECTION

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CITY ADMINISTRATOR'S OFFICE
7351 Rosanna Street
Gilroy, CA 95020
Telephone (408) 846-0202
Facsimile (408) 846-0500
http://www.ci.gilroy.ca.us

March 27, 2026

To the Honorable Mayor, Members of the City Council, and Residents of Gilroy:

We're pleased to submit the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 2025. The City of Gilroy's (City) Charter requires that the City publish a complete set of audited financial statements for each fiscal year. This ACFR is submitted for your information and review. The information herein has been provided to allow the reader to understand Gilroy's financial activities. Management assumes full responsibility for the completeness and reliability of the information contained in this report.

The format of this report complies with the financial reporting model developed under Government Accounting Standards Board (GASB) Statement No. 34, as modified by additional published statements. This GASB Statement requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report on page 5.

This Annual Comprehensive Financial Report is organized into three sections:

- The **Introductory Section** includes the table of contents, letter of transmittal, listing of elected officials and City's executive staff, geographical map, an organization chart delineating organizational structure, and City's Certificate of Achievement for Excellence in Financial Reporting for the prior fiscal year.
- The **Financial Section** includes the Independent Auditor's opinion, the MD&A, the basic financial statements, notes to the financial statements, combining statements of nonmajor funds, and other required supplemental information.
- The **Statistical Section** includes both financial and non-financial data about the City.

To provide a reasonable basis for making these representations, the management of the City has established a comprehensive framework of internal controls that is designed to both protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive internal controls framework has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatements. Management is committed to maintaining the City's internal controls to adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions.

The Pun Group LLP, Certified Public Accountants, have issued an **unmodified ("clean") opinion** on Gilroy's financial statements for the year ended June 30, 2025. The independent auditor's report is located at the beginning of the financial section of this report. The MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements.

Profile of the government

The City is the southernmost city in Santa Clara County, approximately 25 miles south of San Jose and about 75 miles south of San Francisco. Gilroy sits at the crossing of U.S. Highway 101 and State Highway 152. Situated between the Diablo and Santa Cruz mountains in the Santa Clara Valley, the City experiences mild temperatures while missing most of the coastal fog. The agricultural growing season ranges from 300 to 350 days a year. Over the past few decades, the City has transitioned from an agricultural economy into a light-industrial and services-based economy.

The City was first incorporated in 1870 and became a charter city on January 8, 1960. Per the California Department of Finance's annual demographic report for 2025, as of January 1, 2025, the City had a population estimate of 62,205, an increase of 1.1% from the January 1, 2024, estimate of 61,531.

The City operates under the Council Administrator form of government. The seven City Council members, including the Mayor, are elected-at-large to four-year terms in alternate slates of three elected every two years, and the Mayor being elected every four years. The City Council appoints the City Administrator, who heads the executive branch of the government, implements City Council directives and policies, and manages the administrative and operational functions through the department directors. The City Administrator appoints the department directors, except for the City Clerk and the City Attorney, which the City Council appoints.

The city's budget is a detailed operating and capital improvement plan that identifies estimated costs and activities related to estimated revenues. The City Administrator submits to the City Council a proposed biennial budget for all funds, and the Council then proceeds to make any changes to the proposed budget it deems necessary. Before adopting the proposed budget, the Council holds a public hearing. After the conclusion of the public hearing, the Council may make further revisions to the proposed budget. Thereafter, the Council adopts the budget with revisions, if any. Once adopted, the City Council may make further changes to the budget via budget amendments adopted by a resolution. In addition to the primary government, the City also reports on a Component Unit, the South County Regional Wastewater Authority, a joint powers agreement between the City of Gilroy and the City of Morgan Hill for the sewer treatment plant.

The City is a full-service city. It provides municipal services, including public safety (police and fire), community and economic development, recreation activities, parks and street maintenance, water and sewer utilities, and general City administration. Some City operations are supplemented with service contracts, such as legal services and infrastructure maintenance services. Pacific Gas and Electric Company provides natural gas and electricity. The City provides water and wastewater. Wastewater is collected and treated by the South County Regional Wastewater Authority. Recycling and solid waste disposal services are provided in the city by Recology South Valley.

The City is committed to citizen participation in evaluating and enhancing its services. This is achieved via direct community engagement and the City Council's advisory boards, commissions, and ad-hoc committees.

Economic Setting and Outlook

Gilroy's economy was dominated by agriculture and its related industries (food processing, etc.) since the 1800s. However, the growing influence of Silicon Valley and regional population growth have resulted in significant changes in the local economy in the last two decades. The economic boom in Silicon Valley, which began in the early 1990s, had profound impacts on the local economy, resulting in significant increases in home prices and land values as well as significant decreases in local unemployment. The COVID-19 pandemic fueled a crisis in the housing market, sending demand and prices for homes soaring to all-time highs in an already supply-tight market. The housing market has since cooled off, especially with the rise in the federal funds interest rate, causing the long-term mortgage rates to also increase rapidly.

Today, Gilroy's economy is diversified into non-agricultural commercial and industrial activities such as light manufacturing, wholesale operations, automobile sales, and large retail centers. The Gilroy Outlets, Auto Mall area, and retail developments east of Highway 101 have put the City on the map as a regional retail destination and helped strengthen the City's tax revenues. Manufacturing and wholesale/distribution operations take advantage of Gilroy's proximity to Silicon Valley and easy access to Highway 152, leading to Interstate 5 and the Central Valley.

Development Activity

Commercial and industrial development activity remained strong, particularly in logistics, retail, and service-oriented uses. Over the last year, approximately 312,000 square feet of new commercial and industrial space were completed or occupied. Major projects included the Intuitive Surgical logistics warehouse (183,600 sq ft) and Floor & Décor retail/distribution facility (59,000 sq ft). Additional development included the Santa Clara Family Health Plan resource center, California Sports Center gymnastics facility, and several new restaurants and retail establishments, such as Hacienda Café & Grill, Gohan AYCE Buffet, and Dutch Bros Coffee, contributing to local economic activity and sales tax generation. The new retail center at 10th Street and Chestnut Street has also completed construction of two restaurants with drive-throughs (Starbucks and Chick-fil-A), a gas station and convenience store (Circle K), and a car wash (Blue Wave), which is nearing completion, with additional plans to construct a five-story, 112-room hotel, and a third restaurant with drive-through.

The development pipeline remains robust, with approximately 572,000 square feet of commercial and industrial space currently under construction. Significant projects include the Gilroy Data Center (218,000 sq ft), a cold shell warehouse at Yamane Drive (163,000 sq ft), and Urban Air Adventure Park (61,000 sq ft). Additional projects include Crunch Fitness, StorQuest Self-Storage, and various restaurant and service commercial developments. These projects are expected to support future job growth, enhance local amenities, and contribute to the City's long-term revenue base.

On the residential side, construction continued to focus on single-family and multi-family housing. Over the last year, a total of 202 residential units were completed, including projects by Tri Pointe Homes and KB Homes at Glen Loma Ranch, as well as Lennar Homes at Meadow Wood Court. Projects currently under construction total 158 units, including Warmington Homes on W. 6th Street, Lennar Homes at Royal Way, and the Gilroy Family Apartments, a 94-unit affordable housing development. These projects reflect continued progress toward expanding housing inventory and affordability options within the community.

Overall, development trends indicate continued investment in both housing and employment-generating uses. While broader economic conditions may moderate the pace of future development, the City's current pipeline reflects sustained interest in Gilroy as a location for residential growth, logistics and industrial expansion, and neighborhood-serving commercial uses.

Economic Outlook

The national economy continued to expand through 2025, demonstrating resilience despite a higher-interest-rate environment and policies on tariffs, immigration, and energy. Real GDP growth was approximately 2.9% in 2024, slowed to 2.2% in 2025, and is forecast to increase to 3.0% in 2026 before moderating to 2.3% in 2027. Inflation has steadily declined but remains above the Federal Reserve's 2% target, with CPI at 2.9% in 2024, 2.7% in 2025, and projected at 2.7% in 2026 and 2.4% in 2027. The unemployment rate has remained relatively stable, averaging 4.2% in 2024, 4.3% in 2025, and is forecast at 4.3% in 2026 and 4.2% in 2027.

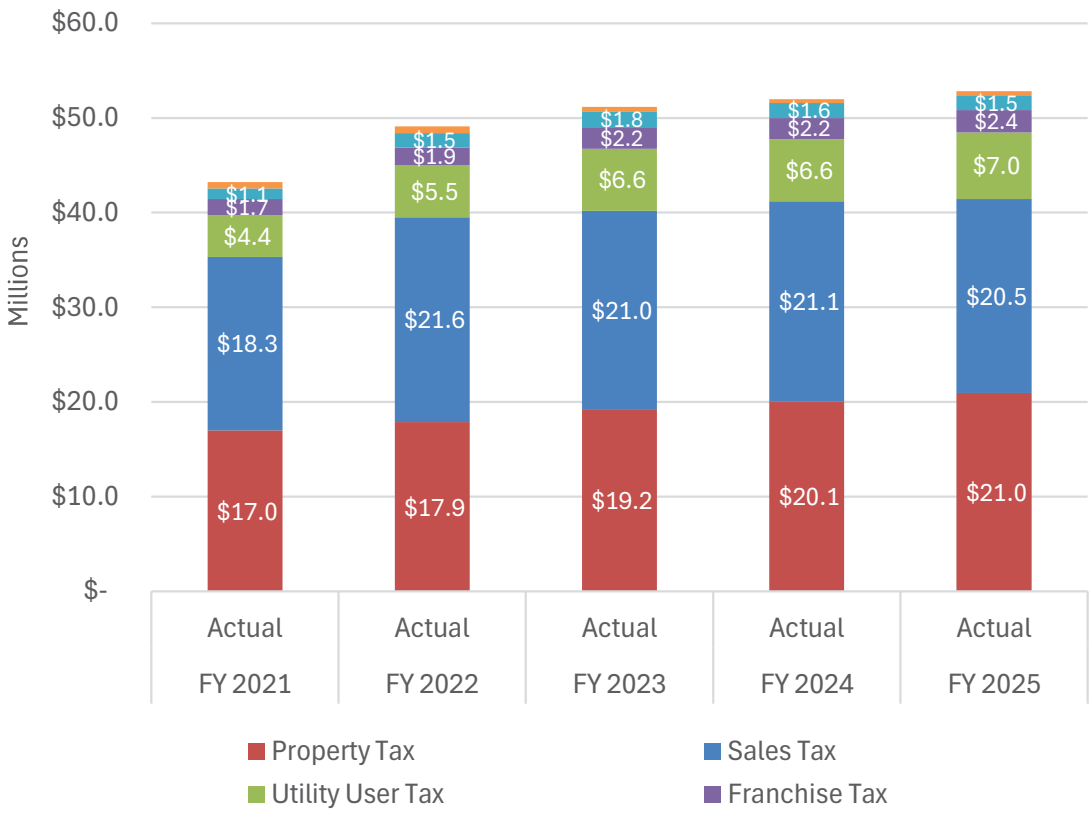
At the state level, California's economy reflects a mixed outlook. While GDP and personal income growth outpaced the nation in 2025, the labor market softened. The statewide unemployment rate increased from approximately 5.0% in 2024 to 5.6% in 2025, with a projected peak of 5.6% in 2026, improving to 4.8% in 2027. Employment growth is forecast at 0.9% in 2026 and 1.8% in 2027, supported by continued strength in technology and innovation sectors, particularly artificial intelligence-related investment.

Regionally, the Silicon Valley economy remains comparatively strong but has moderated from prior growth levels. The San Jose-Sunnyvale-Santa Clara MSA unemployment rate was approximately 3.8% in 2024, increasing to 4.0% in 2025, and is expected to remain near 4.0%–4.2% through 2026–2027. Continued venture capital investment and technology-sector concentration support the medium-term outlook, although high housing costs and elevated construction costs continue to constrain broader growth.

Locally, the City of Gilroy's economy remains stable with modest softening in labor market conditions. The unemployment rate increased from approximately 4.3% in 2024 to 4.7% in early 2026, reflecting regional trends. The City continues to benefit from a strong underlying property tax base within Santa Clara County, where assessed valuation growth remained positive in 2025. For example, Santa Clara County's 2025-26 assessment roll increased by $28.9 billion, and the countywide net assessed value reached approximately $725.7 billion, indicating that the region's property tax base remains fundamentally strong notwithstanding broader economic headwinds. However, economically sensitive revenues, particularly sales tax, may experience headwinds due to shifting consumer spending patterns toward services and ongoing cost pressures.

Overall, the City's economic outlook for 2026 remains stable, with growth expected to moderate throughout the year. Core revenues, such as property tax, are anticipated to remain resilient, while more elastic revenues, including sales tax and development-related activity, warrant a more conservative outlook amid continued inflationary pressures, higher long-term borrowing costs, and evolving consumer behavior. The City's General Fund maintains healthy reserves, above the required 30% of annual expenditures, and is well-positioned to mitigate potential impacts in the near term.

The General Fund is the most discretionary funding source and provides funding for most of the City's public services. The General Fund's primary source of revenues is taxes, including sales, property, utility, franchise, and transient occupancy taxes, which all together accounted for 76% of the total General Fund revenues in FY25. The chart below depicts these significant tax revenues and their year-over-year change for the last five-year period. Additionally, the top two sources are further discussed below.



Property tax became the largest source, accounting for approximately 30% of total General Fund revenues in FY25, and has grown steadily, by 6% on average, over the last five years. Property tax revenues totaled $21.0 million, an increase of $0.9 million, or 4%, from the prior year's $20.1 million. In FY26, the property tax revenue is projected to come in at the budgeted $22.4 million, approximately 7% higher than in FY25. The increases are due to a combination of new developments added to the assessment roll, annual CPI adjustments to assessed values pursuant to Proposition 13, and Excess Education Revenue Augmentation Fund (ERAF) distribution. Based on the latest information from the County Assessor's office, the property tax for Gilroy is projected to grow steadily, between 4-5%, for FY27.

Sales tax became the second-largest single source, at approximately 29% of total General Fund revenues in FY25, and remains volatile because it relies directly on consumers' discretionary spending. Since peaking at $21.6 million in FY22, sales tax has declined and leveled off to $20.5 million in FY25. The City's FY26 budgeted sales tax revenue is $20.4 million and is currently projected to come in slightly under budget at $20.1 million, due to a leveling off in consumer spending on taxable goods. High and rising housing, insurance, groceries, healthcare, and energy costs continue to consume personal income, thus shifting the spending towards non-taxable services and away from taxable goods. Based on current estimates, sales tax is projected to remain relatively flat, with nominal growth of 0.9% in FY27, and is expected to increase by another 1.6% in FY28. This is not unique to Gilroy and is a statewide trend, where overall sales tax revenues are projected to grow modestly over the next several years.

The City's **General Fund's primary expenditure** is personnel-related, accounting for about 68% of the annual General Fund expenditure in FY25. In FY25, the City approved a multi-year memorandum of understanding (MOU) with two of the four collective bargaining units, focusing on recruitment and retention in a competitive labor market; the remaining two are up for renewal and will complete negotiations in FY26. The City's approach to having multi-year agreements has served well. It provides stability for employees and the organization overall, and helps project and budget for planned increases.

A significant component of personnel costs is pension expenses. Rising pension costs continue to present a major financial challenge for California public agencies. Consistent with other CalPERS participants, the City's pension obligations have increased due to changes in actuarial assumptions and fluctuating investment returns, contributing to growth in the unfunded accrued liability (UAL) associated with its CalPERS pension plans. The City has made prudent efforts in recent years to mitigate the impacts of rising pension costs by establishing the Section 115 Pension Trust, adopting a funding policy, and making annual contributions pursuant to the policy. The primary purpose of setting aside funds in the trust is to leverage them by making strategic withdrawals to help pay for a portion of the annual UAL payments, thereby lessening the burden on the City's General Fund in future years, when annual UAL payments are expected to peak. As of February 28, 2026, the Trust has a balance of $5.8 million and an annualized investment return of 14.02%. The adopted FY26 and FY27 General Fund forecast assumes that by FY29, or a year sooner, the City will be able to leverage the Pension Trust (withdraw) strategically, to help pay for a portion of the annual UAL payments and lessen the burden to the City's General Fund. Pensions are further discussed in Note 11, on page 80.

In FY24, the City established a Section 115 Trust to pre-fund its Other Post Employment Benefits (OPEB) liabilities, with an initial one-time contribution of $0.5 million, and adopted a related funding policy. OPEB refers to benefits, other than pensions, that state and local government employees receive as part of their retirement benefits, such as medical, dental, vision, or life insurance. For the City of Gilroy, this primarily includes a retiree healthcare plan administered by the City and provided to eligible retirees through the CalPERS healthcare program. For most retirees under the plan, the City contributes the PEMHCA minimum contribution ($158 per month for 2025) for eligible retirees and surviving spouses. Based on the recent valuation of the plan, the City's OPEB liability as of June 30, 2025, is $16.0 million. During FY25, the City made a $0.5 million contribution pursuant to the funding policy. As of February 28, 2026, the Trust has a balance of $1.5 million and an annualized investment return of 14.02%. OPEB is further discussed in Note 12, on page 88.

During FY25, the City instituted the third automatic CPI adjustment, 1.3%, to its citywide user fee schedule to ensure it can continue to recoup the costs of providing certain services. The adopted FY26 budget and work plan include commissioning the next comprehensive five-year user-fee study to advance the City Council's policy of pursuing cost recovery.

As previously mentioned, the City also provides water and wastewater utility to its residents. The utilities are funded by rates assessed as charges for services to the customers. In FY24, the City Council approved multi-year rate adjustments for both utilities, commencing on January 1, 2024, with annual increases thereafter for five years. On January 1, 2026, both utilities enacted the third annual increase of the five-year rate adjustments. The rates are projected to keep both utilities fiscally sound, cover operational costs, and make the necessary capital investments in aging critical infrastructure.

Fiscal Year 2025 (FY25) Financial Results

The City ended FY25 with an operating gain, resulting in a change in net position of $34.4 million, from $390.1 million (as restated) on June 30, 2024, to $424.4 million on June 30, 2025. Of the total net position, $139.0 million, or about 33%, remains unrestricted, which can be utilized for future spending or obligations, and the majority of the remaining $200.3 million, about 47%, consists of net investment in capital assets.

The City's net pension liabilities decreased by $1.7 million to $107.0 million. The decrease was primarily driven by a better-than-expected rate of return for investment earnings, 9.3% vs. 6.8%, which increased the plan's fiduciary net position during the measurement year.

In the General Fund, revenues for FY25 were $69.7 million, $0.7 million better than the final budget, primarily due to better-than-budgeted investment income of about $1.1 million and other miscellaneous one-time revenue of $0.9 million. Additionally, expenditures totaled $72.3 million, $4.6 million less than the budget, primarily due to operational savings across all departments and lower-than-budgeted capital outlay for the citywide sidewalk replacement and pavement rehabilitation project. It is essential to note that although the actual expenditures were $4.6 million less than the final budget, the General Fund had over $1.5 million in outstanding encumbrances and commitments on June 30, 2025, which carried forward to the next fiscal year. The fund balance in the General Fund decreased by $1.7 million to $41.0 million, primarily due to the planned strategic spend-down of excess reserves on one-time capital investments during the fiscal year.

Capital Improvements

The City's capital improvement plan (CIP) provides a five-year window for projects to be completed within the CIP horizon. The primary funding source is capital project funds - which derive revenues from development impact fees, and special revenue funds – which derive revenues from intergovernmental grants and tax-sharing allocations, such as gas taxes. In addition, the City has contributed General Fund dollars to augment the City's annual pavement rehabilitation program in recent years. The current five-year CIP program was adopted on June 5, 2023, for FY25 through FY28, focusing on significant improvements to utility infrastructure based on the updated 2023 water and wastewater master plan. The next update to the five-year CIP will occur in early 2027 concurrent with the City's biennial budget development process.

During FY25, the City advanced a robust capital improvement program, completing or awarding approximately $24.6 million in major projects focused on infrastructure, public safety, accessibility, and community amenities.

Significant completed projects included the FY23 and FY24 Citywide Annual Pavement Rehabilitation programs, totaling over $10.3 million, which substantially improved roadway conditions across the City. The City also completed the Gourmet Alley Improvements Project ($3.5 million), enhancing downtown infrastructure and economic vitality, and the City Hall Backup Generator Project ($0.6 million) to strengthen operational resilience. Additionally, the City finalized the Fire Station Land Acquisition ($1.3 million) for the Santa Teresa Fire Station.

The City continued to prioritize accessibility and compliance through multiple CDBG-funded sidewalk and curb ramp projects and annual curb ramp improvements. Key projects awarded during the year further reinforce the City's infrastructure investment strategy, including the FY25 Citywide Pavement Rehabilitation program ($6.5 million), the Engineering Sidewalk Replacement program ($0.7 million), and the Civic Center Master Plan ($0.7 million) to guide future civic center facility improvements. Additional community-focused investments include the Las Animas Park restroom replacement and Third Street Park shade structures, enhancing public amenities and park usability.

Overall, the FY25 capital program reflects continued investment in maintaining core infrastructure, improving accessibility, supporting economic development, and planning for future public facilities.

Long-term Financial Planning

General Fund

The City's general fund balance as of June 30, 2025, was $41.0 million. The City Council adopted a general fund reserve policy to retain a reserve equal to 20% of annual general fund expenditures. The policy adopted a separate economic stability reserve used only for limited purposes, at 10% of general fund expenditures. The City adopted its current FY26 and FY27 biennial budget on June 2, 2025, which will run through June 30, 2027. As previously mentioned, the City accumulated healthy reserve levels over the past several years; as such, the biennial budgets were crafted to utilize the accumulated fund balances and to plan cautiously for new service-level enhancements. The budgets include one-time investments in critical street public-safety equipment, improvements to various park facilities, and a fleet replacement. The City also prepares a five-year forecast for the fund, projecting operating revenues and expenditures. The current forecast projects the City will maintain reserve requirements throughout the five-year forecast.

Enterprise Fund

The total net position of the Sewer Fund increased by $17.5 million, to $124.7 million from the prior fiscal year. Majority of the increase, $17.3 million, is attributed to the reclassification of the wastewater impact fee fund from governmental funds to the enterprise funds. Otherwise, the change in Net Position from the year's operations was about $0.2 million. The unrestricted net position of the Sewer Fund at the end of the year amounted to $123.9 million, an increase of $3.5 million, or about 3%, from the prior year, offset by a decrease in net investment in capital assets of about $3.1 million largely due to drawdown of the 2021A bond proceeds to finance City's share of the South County Regional Wastewater Treatment plant expansion project.

The total net position of the Water Fund increased by $9.1 million, to $90.5 million from the prior fiscal year. Most of the increase, $7.1 million, is attributed to the reclassification of the water impact fee fund from governmental funds to enterprise funds. Otherwise, the change in Net Position from the year's operations was about $2.0 million. The unrestricted net position of the Water Fund at the end of the year amounted to $28 million, an increase of $1.1 million, or about 4.1%, from the prior year. The net investment in capital assets increased by $0.2 million to $54.7 million.

In FY24, the City Council adopted the comprehensive water and sewer utilities rate study and enacted the recommended rate adjustments. The study included the establishment of operational and capital rehabilitation/replacement reserves. As such, both utilities maintain six months of operating expenses as an operational reserve and a 50% of the average annual capital improvement program over the five-year period as a capital reserve.

Award and Acknowledgements

This ACFR was developed in accordance with best practices of the Government Finance Officers Association (GFOA) and will be submitted for consideration of its Achievement of Excellence Award in Financial Reporting certification. This award is granted only to entities whose reports meet the highest standards of municipal financial reporting. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gilroy for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 20th consecutive year that the City achieved this prestigious award.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that City's FY25 ACFR meets the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and are submitting the FY25 ACFR to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, diligence, and commitment of the entire Finance Department staff, specifically Finance Manager Rosemary Guerrero, and Accountants Erika Pacheco and Kellie Ullom. We wish to thank all departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the Mayor and the City Council for their continuing support in maintaining the highest standards of professionalism in managing Gilroy's finances and prioritizing financial sustainability.

Respectfully submitted,

Matt Morley
City Administrator

Harjot Sangha
Finance Director

City of Gilroy
Elected Officials & City Staff
As of Fiscal Year-End - June 30, 2025

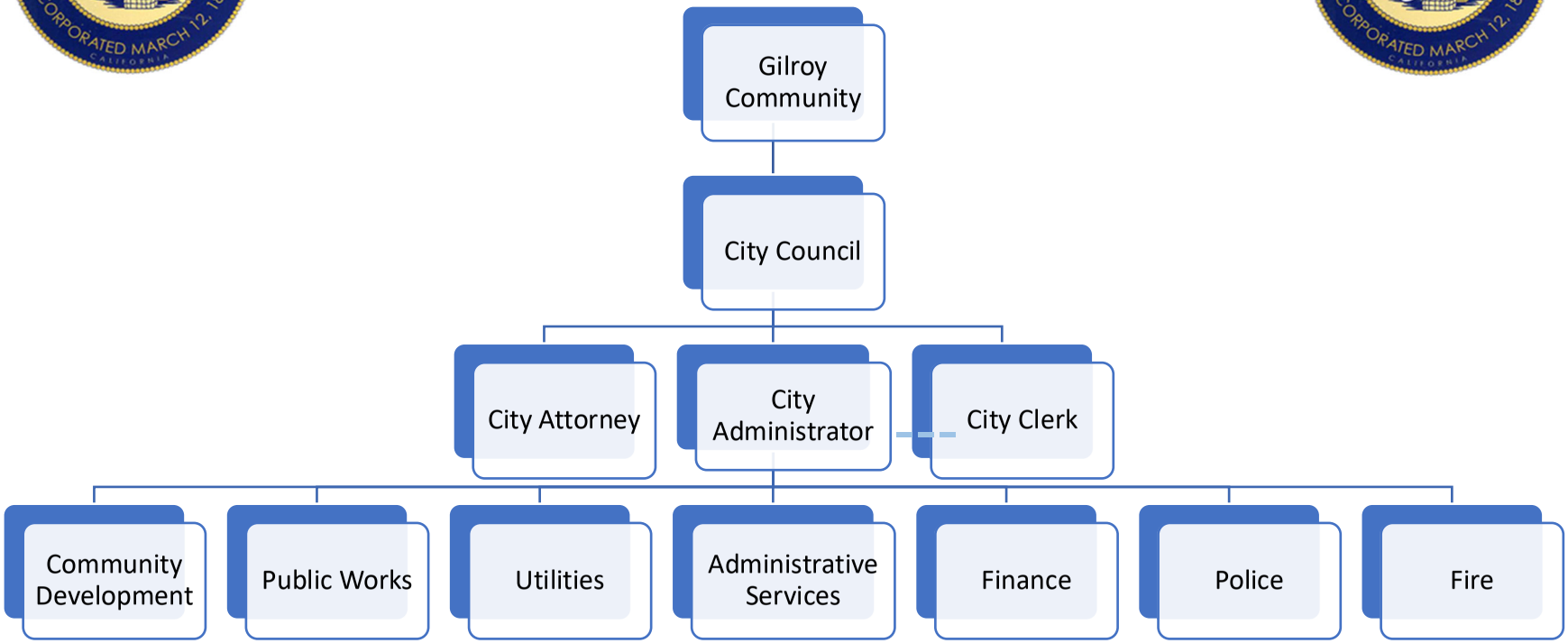
ELECTED OFFICIALS

Greg Bozzo	Mayor
Carol Marques	Mayor Pro Tempore
Kelly Ramirez	Council Member
Dion Bracco	Council Member
Tom Cline	Council Member
Zach Hilton	Council Member
Terence Fugazzi	Council Member

EXECUTIVE STAFF

Jimmy Forbis	City Administrator
Sharon Goei	Community Development Director
Harjot Sangha	Finance Director
Rob Fleeup	Fire Department Director
LeeAnn McPhillips	Administrative Services and Human Resources Director/Risk Manager
Ken Binder	Interim Police Chief
John Doughty	Public Works Director
Bryce Atkins	Assistant to the City Administrator
Heath McMahon	Utilities Director

ORGANIZATION CHART



San Jose
Campbell
Los Gatos
Lexington Hills
Scotts Valley
Santa Cruz
Day Valley
Interlaken
Watsonville
Las Lomas
Moss Landing
Vierra Estates
Morgan Hill
San Martin
City of Gilroy
Coe Ranch
Ashrama
Bell Station
Dunneville
Sargent
Hollister
Ridgemark
130

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gilroy
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF
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FINANCIAL SECTION

CITY OF
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THE PUN GROUP
ACCOUNTANTS & ADVISORS

6 Hutton Centre Drive, Suite 1200
Santa Ana, California 92707

www.pungroup.cpa

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and the Members of the City Council
of the City of Gilroy
Gilroy, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Gilroy, California (the "City") as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit ("DCU"), each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Notes 1 and 18 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences* during the year ended June 30, 2025. The adoption of this standard resulted in the restatement of the City's net position as of June 30, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedules of Changes in Net Pension Liability and Related Ratios, Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, and the Schedule of Changes in Total OPEB Liability and Related Ratios, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, based on our audit, the Combining and Individual Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

The Pun Group, LLP

Santa Ana, California
March 27, 2026

CITY OF
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A community with a spice for life

The following discussion and analysis of the financial performance of the City of Gilroy (the "City") provides an overview of the City's financial activities for the fiscal year ended June 30, 2025 (FY25). Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The government-wide financial statements, which include Statement of Net Position and the Statement of Activities, provide information about the activities of the City as a whole and about the overall financial condition of the City in a manner similar to a private sector business. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information on activities in which the City acts solely as a trustee or agent for the benefit of those outside the government, commonly referred to as Fiduciary Funds.

Notes to the Basic Financial Statements

The notes provide additional information essential to a full understanding of the data in the government-wide and fund financial statements.

FINANCIAL HIGHLIGHTS

- During FY25, the City's overall net position, representing the difference between total assets plus deferred outflows of resources of the City, and total liabilities plus deferred inflows of resources, increased by $34.4 million to $424.4 million. Of the total net position, $139.0 million, or about 32.7%, remains unrestricted, which can be utilized for future spending or obligations, and the majority of the remaining $200.3 million, about 47%, consists of net investment in capital assets. Additional details can be found in the Statement of Net Position on page 23.

- Total citywide revenues were $130.2 million, a net increase of $5.2 million from the prior fiscal year. The net increase in revenue is primarily in program revenues (an increase of $12.0 million), including charges for services and operating and capital grants, offset by a decrease in general revenues (a decrease of $6.8 million), with notable declines in tax revenues, primarily in sales tax, and investment income – for example on wastewater unspent bond proceeds which were expended and drawn upon.

- Total citywide expenses were $95.9 million, a net decrease of $19.1 million from the prior fiscal year. The decreases were primarily in public safety operations, offset by increases in public works, community development, and enterprise (water and wastewater) operations.

- As of June 30, 2025, the City's governmental funds reported a combined ending fund balance of $98.4million, a net decrease of about 17%, or $20.2 million, from the prior fiscal year, primarily in restricted fund balance attributed to the change in financial reporting between governmental and enterprise fund classifications. City's water and wastewater impact fee funds were previously reported as governmental funds and have been reclassified to enterprise funds since the primary expenditures are capital-related for both water and wastewater enterprises. See Note 18 on page 95 for details on the restatements.

- The fund balance in the City's General Fund decreased by $1.7 million to $41.0 million. General Fund revenues increased by a nominal $0.5 million, or about 1%, from the prior year, notably due to lower investment income, while expenditures increased by $2.8 million, or about 4%, compared to the prior year. The increase in general fund expenditure during the year was primarily operations-related across all programs, notably in public safety. During FY25, the General Fund had a revenue shortfall of $2.6 million over expenditures, excluding transfers.

- Actual revenues, excluding transfers, in the General Fund were $69.7 million, $0.7 million better than the final budget, primarily due to better-than-budgeted investment income during the fiscal year of about $1.1 million, and other miscellaneous one-time revenue of $0.9 million. Tax revenues came in $1.5 million under budget, notably in sales tax, which was $1.3 million, or about 6%, less than budget due to a decline in consumer spending, and transient occupancy tax, which was $0.5 million less than budget, notably due to a declining occupancy rate. Other tax revenues, including property, utility, and document transfer, came in at or slightly above budget.

- Actual expenditures, excluding transfers, in the General Fund were $72.3 million, $4.6 million less than the final budget, primarily due to operational savings across all departments, and lower than budgeted capital outlay for the citywide sidewalk replacement and pavement rehabilitation project. It is essential to note that although the actual expenditures were $4.6 million less than the final budget, the General Fund had over $1.5 million in outstanding encumbrances and commitments on June 30, 2025, which carried forward to the next fiscal year.

- As of June 30, 2025, the City had $291.0 million in capital assets, a net increase of $2.8 million from the prior fiscal year. Of the total, capital assets for governmental activities were $209.4 million, and the remaining $81.6 million was for business-type activities. The notable increases were in the following asset classes: land acquisition for the Santa Teresa Fire Station, vehicles, infrastructure related to gourmet alley and citywide pavement rehabilitation projects, and subscription-based assets, offset by a decrease in construction in progress of $7.1 million for assets that were accepted as complete during the fiscal year.

- As of June 30, 2025, the City had $113.9 million in long-term debt, a net decrease of $2.5 million from the prior fiscal year. Of the total, governmental activities' long-term debt portion is $62.7 million, consisting of $21.3 million in general obligation bonds, $23.9 million in lease revenue bonds, claims payable (consisting of worker's compensation and general liability) of $10.8 million, compensated absences payable of $4.4 million, a loan payable of $0.9 million, and subscriptions payable of $1.3 million. The remaining $51.3 million is for business-type activities, primarily in the form of sewer revenue bonds. Notable additions include $0.5 million in Santa Clara County Temporary Housing Loan to preserve Below Market Rate (BMR) homes within the City, and $1.3 million in subscription liabilities within Information Technology (IT). See Note 10 in the Notes to Basic Financial Statements for details.

- The City's net pension liabilities decreased by $1.7 million to $107.0 million. The decrease was primarily driven by a better-than-expected rate of return for investment earnings, 9.3% vs. 6.8%, which increased the plan's fiduciary net position during the measurement year. As a result, the deferred outflows related to pension for governmental activities increased by $14.8 million, and deferred inflows decreased by $4.6 million. The City has an existing Section 115 Trust established with the Public Agency Retirement Services (PARS) to pre-fund its pension liabilities, with an established funding policy that diverts the interest savings from the prepayment of the annual unfunded accrued liability (UAL) on both plans and in addition, contributes up to 25% of the annual expenditure savings from the General Fund to the Section 115 Trust for Pension. During FY25, $0.7 million was contributed to the trust, which had a balance of $4.6 million as of June 30, 2026. See Note 11 in the Notes to Basic Financial Statements for details.

- The City's other post-employment benefit (OPEB) liabilities increased by $0.3 million to $16.0 million. The increase in liabilities was primarily driven by higher service and interest costs, offset by decreases due to changes in assumptions about healthcare trends, among others. During FY24, the City Council established a separate Section 115 Trust account with PARS to pre-fund its OPEB liabilities and authorized a one-time contribution of $0.5 million to the Trust. The City Council also adopted a funding policy to contribute up to 25% of the annual expenditure savings from the General Fund to the Section 115 Trust for OPEB. During FY25, $0.5 million was contributed to the trust in accordance with the funding policy, and the trust had a balance of $1.1 million as of June 30, 2026. See Note 12 in the Notes to Basic Financial Statements for details.

- During FY25, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101 – Compensated Absences which resulted in a restatement of the beginning net position as of July 1, 2024, as presented in Note 18. and GASB Statement No. 102 – Certain Risk Disclosures which did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2025. See Note 1 (w.) in the Notes to Basic Financial Statements for details.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and a *supplementary information* section that presents *combining statements* for nonmajor governmental funds, internal service funds and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual funds of the City government, which report the City's operations in more detail than the government-wide statements; including how services were financed in the short term and including fund balances available for financing future services and projects.
- The *governmental funds* statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
- *Proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the water and wastewater system.
- *Fiduciary funds* statements provide information about the fiduciary relationships – like the custodial funds of the City – in which the City acts solely as agent or trustee for the benefit of others, to whom the resources in question belong.

The financial statements also include notes – *Notes to the Basic Financial Statements* - that explain the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provides additional financial and budgetary information.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of *management's discussion and analysis* explains the structure and contents of each of the statements.

Figure A-1

Major Features of the City's Government-wide and Fund Financial Statements

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures and changes in fund balances	• Statement of net position • Statement of revenues, expenses and changes net position • Statement of cash flows	• Statement of fiduciary net position • Statement of change in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets, deferred outflows of resources and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets, deferred outflows of resources and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's fiduciary funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Reporting the City as a Whole

The accompanying government-wide financial statements include two statements that present financial data for the City as a whole. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets, deferred outflows of resources, and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report on the City's net position and changes in them. The City's net position – the difference between assets, deferred inflows/outflows of resources, and liabilities – can be considered one way to measure the City's financial health, or *financial position*. Over time, *increases and decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. Other things to consider include other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities - Most of the City's basic services are reported here. Sales taxes, property taxes, and other intergovernmental revenues finance most of these activities.
- Business-type activities - The City charges a fee to customers to help it cover all of the costs of the services accounted for in these funds, which include water and wastewater utility services.

Reporting the City's Major Funds

The fund financial statements provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants, or other money (such as grants received). The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- *Governmental funds* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* in reconciliations following the fund financial statements.

- *Proprietary funds* – When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City maintains two different types of proprietary funds, enterprise funds and internal services funds. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities. The City uses internal service funds to account for fleet maintenance and replacement, facilities maintenance, information systems, workers compensation, and general insurance and liability.

Reporting the City's Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The City currently serves as a fiduciary agent for various funds; however, pursuant to GASB 84 - which qualifies fiduciary activities for accounting and reporting purposes, only the following two funds are reported as fiduciary Funds in the Financial Statement. Other funds are reported as non-major funds or are grouped with the General Fund for Financial Statement purposes.

- **Senior Advisory Board.** The Senior Advisory Board fund is used to account for revenues generated from fundraising and donations. The funds are used to buy equipment and supplies for the Senior Center.
- **Highway 152 Series 2018**. fund is used to account for special assessments collected to pay the bonded indebtedness for the Highway 152 Series 2018 Assessment District Bonds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Figure 1: A summary of the government-wide *statement of net position* (in millions) follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Cash and investments	$ 122.2	$ 142.3	$ 93.5	$ 69.1	$ 215.7	$ 211.4
Other assets	19.2	19.1	107.1	104.3	126.3	123.4
Capital assets	209.5	206.3	81.5	81.9	291.0	288.2
Total Assets	350.9	367.7	282.1	255.3	633.0	623.0
Deferred outflows						
Related to pension	49.7	34.5	2.7	3.1	52.4	37.6
Related to OPEB	2.4	2.9	0.5	0.5	2.9	3.4
Total Deferred Outflows	52.1	37.4	3.2	3.6	55.3	41.0
Liabilities						
Current Liabilities	21.3	20.8	3.7	3.2	25.0	24.0
Long term liabilities	162.1	164.6	65.8	66.3	227.9	230.9
Total Liabilities	183.4	185.4	69.5	69.5	252.9	254.9
Deferred inflows						
Deferred gain on refunding	0.4	0.5	-	-	0.4	0.5
Related to pension	0.9	5.5	-	-	0.9	5.5
Related to OPEB	3.5	4.5	0.7	0.9	4.2	5.4
Related to leases	5.5	5.9	-	-	5.5	5.9
Total Deferred Inflows	10.3	16.4	0.7	0.9	11.0	17.3
Net Position						
Net investment in capital assets	161.9	156.1	38.4	41.3	200.3	197.4
Restricted	60.3	74.6	24.8	-	85.1	74.6
Unrestricted (deficit)	(12.9)	(27.3)	151.9	147.2	139.0	119.9
Total Net Position	**$ 209.3**	**$ 203.4**	**$ 215.1**	**$ 188.5**	**$ 424.4**	**$ 391.9**

Note: a change in accounting estimate is treated prospectively, prior periods are not restated.

Figure 2: A summary of the government-wide *statement of activities* follows:

Changes in Net Position (In millions)

	(in millions)					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	$ 12.1	$ 12.1	$ 31.1	$ 28.8	$ 43.2	$ 40.9
Operating grants and contributions	8.5	4.3	-	-	8.5	4.3
Capital grants and contributions	15.1	10.1	1.4	0.9	16.5	11.0
General revenues:						
Taxes:						
Property taxes	22.7	22.4	-	-	22.7	22.4
Sales taxes	20.5	23.2	-	-	20.5	23.2
Transient occupancy taxes	1.5	1.6	-	-	1.5	1.6
Franchise taxes	2.4	2.2	-	-	2.4	2.2
Utility user taxes	7.0	6.6	-	-	7.0	6.6
Real property transfer taxes	0.4	0.4	-	-	0.4	0.4
Investment income/(loss)	3.1	7.3	2.0	2.0	5.1	9.3
Miscellaneous income/(loss)	2.2	3.0	0.1	-	2.3	3.0
Total revenues	95.5	93.2	34.6	31.7	130.1	124.9
Expenses:						
General government	11.9	10.8	-	-	11.9	10.8
Public safety	27.0	49.7	-	-	27.0	49.7
Public works	15.8	15.1	-	-	15.8	15.1
Community development	6.4	5.6	-	-	6.4	5.6
Recreation services	1.8	1.9	-	-	1.8	1.9
Interest expense	1.4	1.6	-	-	1.4	1.6
Water	-	-	15.8	15.7	15.8	15.7
Sewer	-	-	15.7	14.6	15.7	14.6
Total expenses	64.3	84.7	31.5	30.3	95.8	115.0
Change in net position before transfers	31.2	8.5	3.1	1.4	34.3	9.9
Transfers	0.8	(0.7)	(0.8)	0.7	-	-
Change in net position	32.0	7.8	2.3	2.1	34.3	9.9
Net position - beginning as previously stated	203.4	-	188.5	-	391.9	-
(governmental and enterprise funds classification)	(24.5)	-	24.5	-	0.1	-
Restatement (Note 18)	0.4	-	-	-	0.5	-
Change in accounting principle (GASB 101)	(2.0)	-	(0.2)	-	(2.2)	-
Net position - beginning of year as restated (Note 18)	177.3	195.6	212.8	186.4	390.1	382.0
Net position - ending	$ 209.3	$ 203.4	$ 215.1	$ 188.5	$ 424.4	$ 391.9

Note: a change in accounting estimate is treated prospectively, prior periods are not restated.

The increase or decrease in net position can provide an indication as to whether the overall position of the City improved or deteriorated during the year.

Governmental Activities: **Figure 1** – Statement of Net Position illustrates the total net position increased by about $5.9 million compared to the prior year, primarily in the unrestricted net position of $14.4 million, offset by a decrease of $14.3 million in restricted net position, and a $5.8 million increase in net investment in capital assets. Total assets decreased by $16.8 million, primarily due to a $20.1 million decrease in cash and investments, resulting from the reclassification of water and wastewater impact fee funds from governmental activities to business-type activities, followed by a $3.2 million increase in net capital assets. Total liabilities decreased by $2.0 million, notably in long-term liabilities, attributable to a decrease in pension liabilities driven by a higher-than-expected investment return vs. the expected rate of return (9.3% vs. 6.8%) and a reduction in other long-term debt. **Figure 2** – Statement of Activities illustrates the program-level revenues and expenses for the fiscal year. Total revenues for governmental activities were $95.5 million, about $2.3 million, or 2%, better compared to the prior year, primarily in operating and capital grants and contributions, offset by a net decline in investment income and tax revenues. Tax revenues came in $1.9 million lower than prior year, notably in sales tax which was $2.7 million, or about 12%, lower than prior year. Transient occupancy tax came in $0.1 million, or about 6%, lower than prior year. Franchise and utility user taxes came in higher compared to prior year by about $0.2 million and $0.4 million, or about 9% and 6%, respectively. Total expenses for governmental activities were $64.3 million, about $20.4 million, or about 24%, less compared to the prior fiscal year. The notable decrease in expenses was primarily in the public safety (police and fire), a result of the pension expense in the pooled safety plan, offset by increases in general government, public works, and community development programs.

Business-type Activities: **Figure 1** – Statement of Net Position illustrates the total net position for business-type activities increased by $26.6 million compared to the prior fiscal year, with a notable increase in restriction net position of $24.8 million primarily a result of the reclassification of water and wastewater impact fee funds from governmental activities to the business-type activities, followed by an increase of $4.7 million in unrestricted net position, and a decrease in net investment in capital assets of $2.9 million. Total assets increased by $26.8 million, notably in the cash and investments category of $24.4 million due to the aforementioned reclassification of the water and wastewater impact fee funds. In 2021, the City issued sewer revenue bonds, 2021A series, to finance its share of the South County Regional Wastewater Treatment plant expansion project. The project commenced in 2021 and is expected to be completed by 2026. As of June 30, 2025, about $7.5 million in unspent bond proceeds remain. Total liabilities did not change from the prior year, as current and long-term liabilities offset each other by an equal $0.5 million increase/decrease. **Figure 2** - Statement of Activities illustrates that total revenues from business-type activities, excluding transfers, were $34.6 million, a net increase of $2.9 million from the prior year, primarily due to charges for services. Total expenses for business-type activities were $31.5 million, about $1.2 million higher than the prior fiscal year, primarily in wastewater operations, offset by savings from reduced personnel expenditures due to vacancies during the year.

MAJOR FUNDS

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Funds. The **General Fund** is the chief operating fund of the City. The City combines its Sidewalk Repair, Golf Course, and Community Recreation special revenue funds with the City's General Fund for financial statement presentation as required under GASB 54 as they are subsidized by the general fund. During FY21, the City implemented GASB 84 which provides guidance on accounting and reporting for fiduciary activities of the City. The implementation of GASB 84 resulted in an increase of assets and liabilities in the City's governmental funds as some funds that were previously classified as fiduciary no longer met the criteria under GASB 84. For the City, these primarily include Revolving Deposits and Deposits on hand for other purposes such as employee wellness, and Barney J. Garcia EMS Training.

At the end of FY25, the total fund balance of the general fund (as presented in the aforementioned manner) was $41.0 million consisting of $28.0 million in unassigned fund balance, $7.2 million in committed balance for economic reserves pursuant to the Council adopted General Fund reserve policy, and $5.7 million in restricted fund balance set aside in a Section 115 trust to prefund pension and OPEB liabilities.

Revenues increased between the years ended June 30, 2024, and June 30, 2025, by $0.5 million, or about 1%, primarily due to increased tax and intergovernmental revenues, offset by a decline in investment income as the Federal Reserve commenced its rate-cutting process. Taxes revenues increased by $0.8 million, or about 2%, compared to the prior year, primarily in property tax, which was up $0.9 million, or about 4%, compared to the prior year due to an increase in assessed values and new developments added to the assessed roll and additional excess Educational Revenue Augmentation Fund (ERFAF) distribution, followed by utility user tax which increased by $0.5 million or about 7%, compared to prior year, offset by decline in sales tax of about $0.6 million, or about 3%, compared to prior year. All other tax revenues, including franchise, were relatively flat or had minor increases, totaling $0.2 million, compared to the prior year.

Expenditures increased by $2.8 million, or about 4%, between the years ended June 30, 2024, and June 30, 2025, across all departmental operations. Capital Outlay was $2.2 million lower than the prior year, primarily due to the prior year having strategic one-time use of accumulated one-time fund balances for capital-related items. The General Fund's largest expenditure is public safety, which includes police and fire, and the primary category of expenditures is salaries and benefits. In FY25, the City approved a multi-year memorandum of understanding (MOU) with two of the four collective bargaining units, focusing on recruitment and retention in a competitive labor market; the remaining two are up for renewal and will complete negotiations in FY26.

The **Public Facilities Impact Capital Projects Fund** has a total fund deficit of $2.3 million at the end of FY25, an increase in deficit of $2.0 million from the prior fiscal year. Excluding transfers, the revenues exceeded the expenditures by $0.9 million during the year. Transfers out exceeded transfers in by $2.9 million. The primary purposes of transfers out were to support various debt instruments and repayment of an inter-fund loan. In February 2008, this fund borrowed $13.7 million from several other funds to purchase Gilroy Gardens. See Note 5 (B), in the *Notes to the Basic Financial Statements* for additional information. The interfund loan balance outstanding on June 30, 2025, is $2.6 million.

Major Enterprise Funds. The City provides water and sewer utility services to the Gilroy community and operatives both as enterprises.

The total net position of the **Sewer Fund** increased by $17.5 million, to $124.7 million from the prior fiscal year. Majority of the increase, $17.3 million, is attributed to the reclassification of the wastewater impact fee fund from governmental funds to the enterprise funds. Otherwise, the change in Net Position from the year's operations was about $0.2 million. The unrestricted net position of the Sewer Fund at the end of the year amounted to $123.9 million, an increase of $3.5 million, or about 3%, from the prior year, offset by a decrease in net investment in capital assets of about $3.1 million largely due to drawdown of the 2021A bond proceeds to finance City's share of the South County Regional Wastewater Treatment plant expansion project. The reclassification of the wastewater impact fee fund resulted in a restricted net position of about $17.1 million in the Fund, primarily restricted for capital projects. The total operating revenues and operating expenditures for the Sewer Fund were $15.2 million and $14.5 million, respectively, resulting in $0.7 million in operating income for the year. The total non-operating loss was $1.3 million, attributed to interest expense on the 2021A sewer bonds and the fund's share of the net loss on the DCU related to depreciation. Transfers out totaled $0.4 million, and the fund also received $1.2 million in capital contributions as developer impact fees.

The total net position of the **Water Fund** increased by $9.1 million, to $90.4 million from the prior fiscal year. The majority of the increase, $7.1 million, is attributed to the reclassification of the water impact fee fund from governmental funds to the enterprise funds. Otherwise, the change in Net Position from the year's operations was about $2.1 million. The unrestricted net position of the Water Fund at the end of the year increased by $1.1 million to $27.9 million. The net investment in capital assets increased by $0.2 million to $54.7 million. The reclassification of the wastewater impact fee fund resulted in a restricted net position of about $7.8 million in the Fund, primarily restricted for capital projects. The total operating revenues and expenditures for the Water Fund were $15.9 million and $15.7 million, respectively, resulting in $0.2 million of operating income. Total non-operating income was $2.1 million, primarily from investment earnings. Transfers out totaled $0.5 million, and the fund also received $0.3 million in capital contributions as developer impact fees.

During FY23, the City engaged a consultant to conduct a comprehensive water and wastewater rate study for both utilities. Subsequently, in October 2023, the City Council approved multi-year rate adjustments for both utilities, commencing on January 1, 2024, and annually thereafter for a five-year period. The table below illustrates the average single-family monthly water (8,300-gallon consumption) and fixed monthly sewer charge, which were enacted on January 1, 2025, during FY25, and for the remaining three years of the five-year period.

Average Single Family Water and Sewer Utility Bill				
	1/1/2025	**1/1/2026**	**1/1/2027**	**1/1/2028**
Water	$ 64.80	$ 68.69	$ 72.81	$ 77.18
Sewer	53.11	55.24	57.45	59.74
Total Bill	**$ 117.91**	**$ 123.93**	**$ 130.26**	**$ 136.92**
% Increase	**5%**	**5%**	**5%**	**5%**

GENERAL FUND

The final budgeted operating revenues, excluding transfers, of the General Fund were $69 million. The actual operating revenues, excluding transfers, of the General Fund were $69.7 million, $0.7 million more than the final budget. Actual revenues exceeded the budget in investment and miscellaneous. Income and charges for services, while tax revenues came under budget by $1.5 million, notably in sales tax and transient occupancy taxes, followed by licenses and permits which came in under budget by about $0.2 million, notably in building permits.

The final budgeted operating expenditures, excluding transfers, of the General Fund were $76.9 million. The actual operating expenditures, excluding transfers, of the General Fund were $72.3 million, approximately $4.6 million less than the final budget, primarily due to operational savings across all departments. It is essential to note that although the actual expenditures were $4.6 million less than the final budget, the General Fund had about $1.5 million reserved for encumbrances on June 30, 2025, which carried forward to the next fiscal year.

In June 2017, the City Council adopted a general fund reserve policy that consisted of (i) an unrestricted General Fund Reserve of 20% of general fund expenditures and (ii) an Economic Stability Reserve of 10% of general fund expenditures that is intended to help the City weather a severe economic crisis. The following table summarizes the adopted general fund reserve policy:

General Fund Reserve	Description of Use	Amount
Unrestricted	Unbudgeted costs or revenue shortfall	Minimum of 20% of expenditures
Economic Stability	Specific triggers in severe economic downturn	Minimum of 10% of expenditures

The Economic Stability Reserve shall only be used in extraordinary circumstances, upon satisfaction of one of the following "economic triggers" and with the majority vote of the City Council:

- State take-away of significant revenue
- Large drop in property taxes (decrease in assessed valuations)
- Major business closures (sales tax and/or utility users' tax impact)
- Dramatic drop in development from projections
- Large unexpected drop in sales taxes (or other primary revenues - utility users' tax, franchise fees or transient occupancy tax) due to severe recession
- The economic triggers cause the General Fund Reserve to fall below a predetermined percentage of expenditures (e.g., 20%).

When the Economic Stability Reserve is used, the City is obligated to replenish the reserve by the end of the next biennial budget to 10% of general fund expenditures for that year.

During FY25, the City adequately maintained the Unrestricted General Fund Reserves and the Economic Stability Reserves in accordance with the policy.

Budgetary Highlights

See the Required Supplementary Information in the City's financial statements for a comparison of the City's budgeted revenues and expenditures to actual revenues and expenditures for the General Fund. When preparing its budget, the City projects its revenues using realistic, but conservative methods so as to budget its expenditure appropriations in a prudent manner.

As noted above, the City has two unrestricted reserve levels – the Unrestricted General Fund Reserves and the Economic Stability Reserve, neither of which were utilized during FY25. The City continues its conservative spending measures to ensure long-term fiscal sustainability. In addition, the City continued economic incentive transfers from the general fund to the impact funds, to make these funds whole for the previously granted incentives.

The City continues to take a conservative approach in its spending in order to maintain a balanced budget – for and on behalf of the community – and will continue to be financially prudent during the current biennial budget.

The City regularly reviews its revenues and expenditures and reports to the City Council to keep both the Council and the residents apprised of its current fiscal health and to ensure the adequate protection of the City's financial resources.

CAPITAL ASSETS

(in millions)

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 22.6	$ 21.3	$ -	$ -	$ 22.6	$ 21.3
Construction in progress	6.7	15.0	1.6	0.4	8.3	15.4
Buildings and improvements	70.1	69.8	0.2	-	70.3	69.8
Equipment and furniture	2.9	2.8	0.1	-	3.0	2.8
IT equipment and software	2.0	2.1	-	-	2.0	2.1
Vehicle	5.4	4.8	1.3	0.4	6.7	5.2
Infrastructure	97.9	89.5	78.4	81.1	176.3	170.6
Subscription assets	1.8	1.0	-	-	1.8	1.0
Total	**$ 209.4**	**$ 206.3**	**$ 81.6**	**$ 81.9**	**$ 291.0**	**$ 288.2**

- As of June 30, 2025, the City's capital assets, net of accumulated depreciation and amortization, for both the governmental and business-type activities, amounted to $291.0 million, a net increase of $2.8 million. The notable increases were in the following asset classes: land acquisition for the Santa Teresa Fire Station, vehicles, infrastructure related to gourmet alley and citywide pavement rehabilitation projects, and subscription-based assets, offset by a decrease in construction in progress of $7.1 million for assets that were accepted as complete during the fiscal year.

Additional information on the City's capital assets can be found in *Note 7 of the Basic Financial Statements*.

LONG-TERM DEBT

	2025	2024*
Governmental Activities:		
Loan Payable	$ 0.9	$ 0.5
General Obligation Bonds	21.4	22.5
Refunding Lease Revenue Bonds	23.9	26.1
Subscriptions payable	1.3	0.7
Claims payable	10.8	10.4
Compensated absences	4.4	4.1
Total Governmental Activities	$ 62.7	$ 64.3
Business-Type Activites:		
Revenue Bonds	50.7	51.6
Compensated absences	0.6	0.5
Total Business-Type Activities	$ 51.3	$ 52.1
Total Long-Term Debt	**$ 114.0**	**$ 116.4**

*Restated Compensated absences (GASB 101)

As of June 30, 2025, the City's governmental activities had long-term debt outstanding of $62.7 million, a net decrease of $1.6 million from the prior year. The notable decreases were due to the retirement of principal payments on the bonded debts and loans payable, which came due during the fiscal year. The notable increase was in claims payable for workers' compensation and general insurance liability, and an increase for compensated absences and subscriptions payable. Notable additions include $0.5 million in Santa Clara County Temporary Housing Loan to preserve Below Market Rate (BMR) homes within the City, and $1.3 million in subscription liabilities within Information Technology (IT).

As of June 30, 2025, the City's business-type activities had $51.3 million bonded debt outstanding, consisting of $5.1 million of unamortized premium, and $45.6 million of 2021 wastewater revenue refunding bonds. During the year, $0.9 million principal payment was retired for the 2021A sewer bonds.

See Note 10 in the *Notes to the Basic Financial Statements* for further discussion.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office, at the City of Gilroy, 7351 Rosanna Street, Gilroy, California 95020.

BASIC FINANCIAL STATEMENTS

CITY OF
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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Gilroy
Statement of Net Position
June 30, 2025

	Primary Government			Discrete Component Unit (DCU)
	Governmental Activities	Business-Type Activities	Total	South County Regional Wastewater Authority
ASSETS				
Current assets:				
Cash and investments	$ 116,504,572	$ 86,036,535	$ 202,541,107	$ 19,492,595
Cash and investments with fiscal agent	5,670,746	7,545,341	13,216,087	-
Accounts receivable, net	1,094,218	3,485,008	4,579,226	1,699,435
Due from other governments	6,109,262	-	6,109,262	-
Prepaid items	306,211	45,538	351,749	-
Interest receivable	1,853,594	-	1,853,594	192,123
Lease receivable - current	153,840	-	153,840	-
Due from DCU	-	566,986	566,986	-
Property held for resale	1,250,221	-	1,250,221	-
Total current assets	132,942,664	97,679,408	230,622,072	21,384,153
Noncurrent assets:				
Equity investment in DCU	-	102,905,836	102,905,836	-
Loans receivable	3,030,580	-	3,030,580	-
Lease receivable - noncurrent	5,541,626	-	5,541,626	-
Capital assets - nondepreciable	29,326,182	1,600,481	30,926,663	101,046,807
Capital assets - depreciable/amortizable, net	180,084,599	79,952,948	260,037,547	56,003,341
Total noncurrent assets	217,982,987	184,459,265	634,314,545	157,050,148
Total assets	350,925,651	282,138,673	633,064,324	178,434,301
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	49,705,907	2,687,854	52,393,761	-
OPEB related	2,437,599	484,192	2,921,791	-
Total deferred outflows of resources	52,143,506	3,172,046	55,315,552	-

See accompanying Notes to the Basic Financial Statements

City of Gilroy
Statement of Net Position (Continued)
June 30, 2025

	Primary Government			Discrete Component Unit (DCU)
	Governmental Activities	Business-Type Activities	Total	South County Regional Wastewater Authority
LIABILITIES				
Current liabilities:				
Accounts payable	3,263,931	910,185	4,174,116	770,831
Accrued payroll and benefits	4,260,065	1,044,417	5,304,482	97,727
Retention payable	45,622	-	45,622	6,876,006
Deposits payable	4,514,383	27,670	4,542,053	-
Interest payable	456,239	614,496	1,070,735	-
Unearned revenues	700,199	-	700,199	-
Due to the primary government	-	-	-	566,986
Due to other government	-	-	-	473,098
Compensated absences, due within one year	530,460	136,255	666,715	12,010
Claims payable, due within one year	2,203,169	-	2,203,169	-
Long-term debt, due within one year	4,652,641	798,474	5,451,115	-
Total OPEB liabilities, due within one year	674,724	134,023	808,747	-
Total current liabilities	21,301,433	3,665,520	24,966,953	8,796,658
Noncurrent liabilities:				
Compensated absences, due in more than one year	3,885,878	408,767	4,294,645	36,032
Claims payable, due in more than one year	8,603,591	-	8,603,591	-
Long-term debt, due in more than one year	42,852,747	49,910,779	92,763,526	-
Net pension liabilities	94,014,599	12,975,441	106,990,040	-
Total OPEB liabilities, due in more than one year	12,696,889	2,522,042	15,218,931	-
Total noncurrent liabilities	162,053,704	65,817,029	227,870,733	36,032
Total liabilities	183,355,137	69,482,549	252,837,686	8,832,690
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	416,686	-	416,686	-
Leases related	5,472,552	-	5,472,552	39,733
Pension related	948,747	-	948,747	-
OPEB related	3,549,261	705,006	4,254,267	-
Total deferred inflows of resources	10,387,246	705,006	11,092,252	39,733
NET POSITION				
Net investment in capital assets	161,963,439	38,388,637	200,352,076	149,617,561
Restricted for:				
Minority interest of DCU	-	-	-	66,656,042
Pension/OPEB 115 Trust	5,669,222	-	5,669,222	-
Public safety	1,091,200	-	1,091,200	-
Community development	7,378,615	-	7,378,615	-
Public works	34,093,634	-	34,093,634	-
Capital projects	5,929,092	24,842,085	30,771,177	-
Glen Loma fire station	3,589,243	-	3,589,243	-
Other	229,946	-	229,946	-
Debt service	2,272,355	880	2,273,235	-
Total restricted	60,253,307	24,842,965	85,096,272	66,656,042
Unrestricted (deficit)	(12,889,972)	151,891,562	139,001,590	(46,711,725)
Total net position	$ 209,326,774	$ 215,123,164	$ 424,449,938	$ 169,561,878

See accompanying Notes to the Basic Financial Statements

City of Gilroy
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government (PG)				
Governmental Activities:				
General government	$ 11,885,614	$ 5,049,218	$ 838,379	$ -
Public safety	27,017,687	459,161	2,329,635	3,857,906
Community development	6,390,947	4,026,283	833,005	3,382,236
Public works	15,766,481	1,942,315	4,546,691	7,829,297
Recreation services	1,831,889	668,979	-	-
Interest	1,448,886	-	-	-
Total Governmental Activities	64,341,504	12,145,956	8,547,710	15,069,439
Business-Type Activities:				
Sewer	15,846,817	15,234,796	-	1,153,573
Water	15,698,968	15,831,992	-	301,317
Total Business-Type Activities	31,545,785	31,066,788	-	1,454,890
Total Primary Government	$ 95,887,289	$ 43,212,744	$ 8,547,710	$ 16,524,329
Discretely Presented Component Unit (DCU)				
South County Regional Wastewater Authority	$ 16,965,011	$ 1,167,034	$ 10,580,175	$ 7,026,539

See accompanying Notes to the Basic Financial Statements

City of Gilroy
Statement of Activities (Continued)
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Discrete Component Unit (DCU)
	Governmental Activities	Business-Type Activities	Total	South County Regional Wastewater Authority
Primary Government (PG)				
Governmental Activities:				
General government	$ (5,998,017)	$ -	$ (5,998,017)	$ -
Public safety	(20,370,985)	-	(20,370,985)	-
Community development	1,850,577	-	1,850,577	-
Public works	(1,448,178)	-	(1,448,178)	-
Recreation services	(1,162,910)	-	(1,162,910)	-
Interest	(1,448,886)	-	(1,448,886)	-
Total Governmental Activities	(28,578,399)	-	(28,578,399)	-
Business-Type Activities:				
Sewer	-	541,552	541,552	-
Water	-	434,341	434,341	-
Total Business-Type Activities	-	975,893	975,893	-
Total Primary Government	(28,578,399)	975,893	(27,602,506)	-
Discretely Presented Component Unit (DCU)				
South County Regional Wastewater Authority	-	-	-	1,808,737
General Revenues:				
Taxes:				
Property taxes	22,667,453	-	22,667,453	-
Sales taxes	20,478,194	-	20,478,194	-
Transient occupancy taxes	1,509,597	-	1,509,597	-
Franchise taxes	2,354,848	-	2,354,848	-
Utility users tax	7,014,280	-	7,014,280	-
Real property transfer taxes	403,750	-	403,750	-
Other taxes	96,232	-	96,232	-
Investment income	3,075,916	2,072,352	5,148,268	962,679
Miscellaneous	2,172,969	117,947	2,290,916	-
Total General Revenues	59,773,239	2,190,299	61,963,538	962,679
Transfers	829,416	(829,416)	-	-
Changes in Net Position	32,024,256	2,336,776	34,361,032	2,771,416
Net Position - Beginning, as previously reported	203,351,257	188,530,809	391,882,066	166,801,638
Change with financial reporting entity (governmental and enterprise funds classification)	(24,480,542)	24,480,542	-	-
Restatement (Note 18)	441,457	-	441,457	-
Change in accounting principle (GASB 101)	(2,009,654)	(224,963)	(2,234,617)	(11,176)
Net Position - Beginning, as restated (Note 18)	177,302,518	212,786,388	390,088,906	166,790,462
Net Position - Ending	$ 209,326,774	$ 215,123,164	$ 424,449,938	$ 169,561,878

See accompanying Notes to the Basic Financial Statements

CITY OF
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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF
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City of Gilroy
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Capital Projects Fund: Public Facilities Impact	Nonmajor Governmental Funds	Total
ASSETS				
Cash and investments	$ 37,230,055	$ 505,513	$ 56,106,949	$ 93,842,517
Receivables:				
Accounts	476,106	-	563,086	1,039,192
Due from other governments	4,662,091	-	1,447,171	6,109,262
Interest	1,585,717	-	265,371	1,851,088
Loans	-	-	3,030,580	3,030,580
Leases	5,310,704	-	-	5,310,704
Due from other funds	1,085,359	-	-	1,085,359
Advances to other funds	-	-	635,161	635,161
Prepaid items	111,832	-	-	111,832
Land held for resale	-	-	1,250,221	1,250,221
Restricted assets:				
Cash and investments with fiscal agents	5,669,222	-	1,524	5,670,746
Total assets	$ 56,131,086	$ 505,513	$ 63,300,063	$ 119,936,662
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,131,460	$ 254,582	$ 1,083,525	$ 2,469,567
Accrued liabilities	3,914,465	-	48,940	3,963,405
Retention payable	11,631	-	5,604	17,235
Deposits payable	4,474,307	-	35,299	4,509,606
Unearned revenue	350,199	-	350,000	700,199
Due to other funds	-	-	1,080,338	1,080,338
Advances from other funds	-	2,551,884	-	2,551,884
Total liabilities	9,882,062	2,806,466	2,603,706	15,292,234
Deferred inflows of resources:				
Leases related	5,165,512	-	-	5,165,512
Unavailable revenues	71,840	-	1,033,901	1,105,741
Total deferred inflows of resources	5,237,352	-	1,033,901	6,271,253
Fund balances (deficit):				
Nonspendable	111,832	-	50,000	161,832
Restricted	5,669,222	-	53,426,226	59,095,448
Committed	7,229,465	-	-	7,229,465
Assigned	-	-	7,039,682	7,039,682
Unassigned (deficit)	28,001,153	(2,300,953)	(853,452)	24,846,748
Total fund balances (deficit)	41,011,672	(2,300,953)	59,662,456	98,373,175
Total liabilities, deferred inflows of resources, and fund balances	$ 56,131,086	$ 505,513	$ 63,300,063	$ 119,936,662

See accompanying Notes to the Basic Financial Statements

City of Gilroy
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2025

Total Fund Balances - Total Governmental Funds			$ 98,373,175
Amounts reported for governmental activities in the Statement of Net Position were reported differently because:			
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.			
Nondepreciable, net of $773,969 reported in Internal Service Funds	$	28,552,213	
Depreciable/amortizable, net of $9,108,094 reported in Internal Service Funds		170,976,505	199,528,718
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position:			
Bonds payable	$	(43,576,066)	
Premium on bonds payable		(1,691,175)	
Unamortized deferred charges on refunding		(416,686)	
Subscription liabilities, net of ($1,313,662) reported in Internal Service Funds		(13,475)	
Loans payable		(911,010)	
Interest payable, net of ($16,842) reported in Internal Service Funds		(439,397)	
Compensated absences, net of ($226,595) reported in Internal Service Funds		(4,189,743)	(51,237,552)
Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:			
Deferred outflows of resources pension related, net of $732,589 reported in Internal Service Funds	$	48,973,318	
Net pension liability, net of ($3,536,526) reported in Internal Service Funds		(90,478,073)	
Deferred inflows of resources pension related		(948,747)	(42,453,502)
Net OPEB liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:			
Deferred outflows of resources OPEB related, net of $136,573 reported in Internal Service Funds	$	2,301,026	
Total OPEB liability, net of ($749,182) reported in Internal Service Funds		(12,622,431)	
Deferred inflows of resources OPEB related, net of ($198,857) reported in Internal Service Funds		(3,350,404)	(13,671,809)
Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the Government-Wide Financial Statements and, therefore, the revenue is recognized when eligibility requirements are met and earned.			1,105,741
Internal Service Funds were used by management to charge the costs of certain activities, such as insurance and equipment replacement to individual funds. The assets and liabilities of the Internal Service Funds were included in the governmental activities in the Government-Wide Statement of Net Position.			17,682,003
Net Position of Governmental Activities			$ 209,326,774

See accompanying Notes to the Basic Financial Statements

City of Gilroy
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Projects Fund: Public Facilities Impact	Nonmajor Governmental Funds	Total
Revenues:				
Taxes	$ 52,824,414	$ -	$ 2,581,465	$ 55,405,879
Intergovernmental	1,421,484	-	8,292,631	9,714,115
Charges for services	8,409,803	-	-	8,409,803
Developer impact fees	-	1,578,836	2,020,114	3,598,950
Licenses and permits	2,971,032	-	-	2,971,032
Fines and forfeitures	169,425	-	-	169,425
Investment income	2,074,383	93,415	2,504,305	4,672,103
Miscellaneous	1,792,705	207,265	2,704,155	4,704,125
Total revenues	69,663,246	1,879,516	18,102,670	89,645,432
Expenditures:				
Current:				
General government	10,427,365	-	19,044	10,446,409
Public safety	46,765,334	-	1,477,039	48,242,373
Recreation services	1,828,765	-	3,124	1,831,889
Community development	5,711,778	-	653,646	6,365,424
Public works	5,741,578	78,532	1,999,487	7,819,597
Capital outlay	1,808,585	857,645	4,854,016	7,520,246
Debt service:				
Principal retirement	11,246	-	3,200,579	3,211,825
Interest and fiscal charges	1	29,179	1,704,021	1,733,201
Total expenditures	72,294,652	965,356	13,910,956	87,170,964
Excess (deficiency) of revenues over expenditures	(2,631,406)	914,160	4,191,714	2,474,468
Other financing sources (uses):				
Issuance of debt	-	-	520,354	520,354
Issuance of new subscription	24,721	-	-	24,721
Transfers in	1,186,873	81,526	5,109,762	6,378,161
Transfers out	(249,999)	(2,978,011)	(2,320,735)	(5,548,745)
Total other financing sources (uses)	961,595	(2,896,485)	3,309,381	1,374,491
NET CHANGE IN FUND BALANCES	(1,669,811)	(1,982,325)	7,501,095	3,848,959
Fund balances (deficit):				
Beginning of year, as previously reported	42,681,483	(318,628)	76,200,446	118,563,301
Change with financial reporting entity (governmental and enterprise funds classification)	-	-	(24,480,542)	(24,480,542)
Restatement (Note 18)	-	-	441,457	441,457
Beginning of year, as restated (Note 18)	42,681,483	(318,628)	52,161,361	94,524,216
End of year	$ 41,011,672	$ (2,300,953)	$ 59,662,456	$ 98,373,175

See accompanying Notes to the Basic Financial Statements

City of Gilroy
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds			$ 3,848,959
Governmental activities in the Statement of Activities were reported differently because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental			
Capital outlay, net of $2,893,488 reported in Internal Service Fund.	$	12,178,551	
Depreciation and amortization, net of ($1,509,132) reported in Internal Service Funds.		(10,454,266)	1,724,285
Net change in revenues that was considered unavailable in the governmental funds. These items have been reported as revenue in the Statement of Activities.			574,905
Deferred inflows related to the refunding gain is not a revenue in the Statement of Activities, but is reported as a deferred inflows on the Government-Wide Statement of Net Position.			46,299
Issuance of long-term liabilities is not a revenue in the Statement of Activities, but is reported as a liability on the Government-Wide Statement of Net Position.			
Issuance of Subscription liabilities, net of ($1,254,735) reported at internal service funds.	$	(24,721)	
Issuance of Loans payable		(520,354)	(545,075)
Principal repayment on long-term debt is not an expense in the Statement of Activities, but is considered an expenditure in governmental funds.			
Bonds payment	$	3,105,391	
Subscription payment, net of $647,091 reported at internal service funds.		11,246	
Loans payment		95,188	3,211,825
Interest accrued on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest is not reported as an expenditure in governmental funds. This amount represents the change in accrued interest from the prior year, net of $8,998 reported in Internal Service Funds.			28,799
Amortization of bond premium was recognized in interest expense on the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore amortization of bond premium was not reported as an expenditure in the governmental funds.			209,217
Compensated absences were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, compensated absences were not reported as expenditures in the governmental funds, net of $(29,023) reported in the Internal Service Funds.			(248,558)
Certain pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, net of $46,066 reported in the Internal Service Funds.			21,659,243
Certain OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, net of $1,404 reported in the Internal Service Funds.			270,035
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment replacement, to individual funds. The net revenue of the Internal Service Funds is reported in governmental activities.			1,244,322
Change in Net Position of Governmental Activities			$ 32,024,256

See accompanying Notes to the Basic Financial Statements

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Gilroy
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	$ 43,957,545	$ 42,078,990	$ 86,036,535	$ 22,662,055
Cash and investments with fiscal agent	7,545,341	-	7,545,341	-
Accounts receivable	1,598,372	1,886,636	3,485,008	55,026
Interest receivable	-	-	-	2,506
Lease receivable - current	-	-	-	49,672
Prepaid items	22,769	22,769	45,538	194,379
Due from DCU	566,986	-	566,986	-
Total current assets	53,691,013	43,988,395	97,679,408	22,963,638
Noncurrent assets:				
Advances to other funds	-	-	-	1,916,723
Equity investment in DCU	102,905,836	-	102,905,836	-
Lease receivable - noncurrent	-	-	-	335,090
Capital assets:				
Capital assets, not depreciated/amortizable	471,057	1,129,424	1,600,481	773,969
Capital assets, depreciated/amortizable, net	26,341,671	53,611,277	79,952,948	9,108,094
Total noncurrent assets	129,718,564	54,740,701	184,459,265	12,133,876
Total assets	183,409,577	98,729,096	282,138,673	35,097,514
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	1,378,343	1,309,511	2,687,854	732,589
OPEB related	223,948	260,244	484,192	136,573
Total deferred outflows of resources	1,602,291	1,569,755	3,172,046	869,162

See accompanying Notes to the Basic Financial Statements

City of Gilroy
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2025

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	296,352	613,833	910,185	794,364
Accrued liabilities	258,036	786,381	1,044,417	296,660
Retention payable	-	-	-	28,387
Deposits payable	-	27,670	27,670	4,777
Interest payable	614,394	102	614,496	16,842
Due to other funds	-	-	-	5,021
Compensated absences, current portion	67,736	68,519	136,255	56,650
Claims payable, current portion	-	-	-	2,203,169
Bonds payable, current portion	785,000	-	785,000	-
Subscription liabilities, current portion	6,737	6,737	13,474	589,289
Total OPEB liability, current portion	61,988	72,035	134,023	37,804
Total current liabilities	2,090,243	1,575,277	3,665,520	4,032,963
Noncurrent liabilities:				
Compensated absences, noncurrent portion	203,209	205,558	408,767	169,945
Claims payable, noncurrent portion	-	-	-	8,603,591
Bonds payable, noncurrent portion	49,910,779	-	49,910,779	-
Subscription liabilities, noncurrent portion	-	-	-	724,373
Net pension liabilities	6,653,860	6,321,581	12,975,441	3,536,526
Total OPEB liability, noncurrent portion	1,166,493	1,355,549	2,522,042	711,378
Total noncurrent liabilities	57,934,341	7,882,688	65,817,029	13,745,813
Total liabilities	60,024,584	9,457,965	69,482,549	17,778,776
DEFERRED INFLOWS OF RESOURCES				
Leases related	-	-	-	307,040
OPEB related	326,079	378,927	705,006	198,857
Total deferred inflows of resources	326,079	378,927	705,006	505,897
NET POSITION				
Net investment in capital assets	(16,345,327)	54,733,964	38,388,637	8,540,014
Restricted for:				
Capital project	17,058,906	7,783,179	24,842,085	-
Debt service	880	-	880	-
Unrestricted	123,946,746	27,944,816	151,891,562	9,141,989
Total net position	$ 124,661,205	$ 90,461,959	$ 215,123,164	$ 17,682,003

See accompanying Notes to the Basic Financial Statements

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City of Gilroy
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:				
Charges for services	$ 15,234,796	$ 15,831,992	$ 31,066,788	$ 15,187,476
Miscellaneous	1,688	116,259	117,947	502,330
TOTAL OPERATING REVENUES	15,236,484	15,948,251	31,184,735	15,689,806
OPERATING EXPENSES:				
Operations	10,614,946	11,853,800	22,468,746	8,992,648
Depreciation and amortization	1,592,330	1,465,670	3,058,000	1,509,132
Billing	1,039,143	988,489	2,027,632	-
Administration	1,282,721	1,390,906	2,673,627	224,511
Claims and judgments	-	-	-	1,715,919
Insurance premiums	-	-	-	2,908,688
TOTAL OPERATING EXPENSES	14,529,140	15,698,865	30,228,005	15,350,898
OPERATING INCOME	707,344	249,386	956,730	338,908
NONOPERATING REVENUES (EXPENSES):				
Investment income	2,492,980	2,051,598	4,544,578	927,173
Interest expense	(1,317,677)	(103)	(1,317,780)	(21,759)
Loss on disposal of capital assets	-	-	-	-
Share of DCU net loss	(2,472,226)	-	(2,472,226)	-
Total Nonoperating Income (Loss)	(1,296,923)	2,051,495	754,572	905,414
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(589,579)	2,300,881	1,711,302	1,244,322
TRANSFERS AND CAPITAL CONTRIBUTIONS:				
Transfers in	56,702	11,786	68,488	-
Transfers out	(423,301)	(474,603)	(897,904)	-
Developer impact fees	1,153,573	301,317	1,454,890	-
TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	786,974	(161,500)	625,474	-
CHANGES IN NET POSITION	197,395	2,139,381	2,336,776	1,244,322
NET POSITION:				
Beginning of year, as previously reported	107,216,668	81,314,141	188,530,809	16,527,012
Change with financial reporting entity (governmental and enterprise funds classification)	17,322,623	7,157,919	24,480,542	-
Change in accounting principle (GASB 101)	(75,481)	(149,482)	(224,963)	(89,331)
Beginning of year, as restated (Note 18)	124,463,810	88,322,578	212,786,388	16,437,681
End of year	$ 124,661,205	$ 90,461,959	$ 215,123,164	$ 17,682,003

See accompanying Notes to the Basic Financial Statements

City of Gilroy
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	$ 15,030,585	$ 15,656,617	$ 30,687,202	$ 15,648,135
Cash paid to suppliers for goods and services	(8,164,108)	(10,533,847)	(18,697,955)	(6,691,119)
Cash paid to employees for services	(3,466,030)	(3,918,653)	(7,384,683)	(2,480,780)
Cash paid for insurance claims	-	-	-	(4,038,152)
Net Cash Provided by Operating Activities	3,400,447	1,204,117	4,604,564	2,438,084
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	410,048	11,786	421,834	321,348
Cash paid to other funds	(423,301)	(474,603)	(897,904)	-
Cash paid to DCU	(758,268)	-	(758,268)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(771,521)	(462,817)	(1,234,338)	321,348
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Developer impact fees	1,153,573	301,317	1,454,890	-
Acquisition of capital assets	(947,730)	(1,721,940)	(2,669,670)	(1,633,528)
Principal paid	(760,624)	(5,623)	(766,247)	(647,091)
Interest paid	(1,489,401)	(1)	(1,489,402)	(12,761)
Net Cash (Used in) Capital and Related Financing Activities	(2,044,182)	(1,426,247)	(3,470,429)	(2,293,380)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	2,492,980	2,051,598	4,544,578	926,785
Investment in DCU	(4,070,387)	-	(4,070,387)	-
Net Cash Provided by Investing Activities	(1,577,407)	2,051,598	474,191	926,785
Net Change In Cash and Cash Equivalents	(992,663)	1,366,651	373,988	1,392,837
CASH AND CASH EQUIVALENTS:				
Beginning of year, as previously report	35,525,851	33,553,087	69,078,938	21,269,218
Change in financial reporting entity	16,969,698	7,159,252	24,128,950	-
Beginning of year, as restated	52,495,549	40,712,339	93,207,888	21,269,218
End of year	$ 51,502,886	$ 42,078,990	$ 93,581,876	$ 22,662,055
CASH AND CASH EQUIVALENTS:				
Cash and investments	$ 43,957,545	$ 42,078,990	$ 86,036,535	$ 22,662,055
Cash and investments with fiscal agent	7,545,341	-	7,545,341	-
Total cash and cash equivalents	$ 51,502,886	$ 42,078,990	$ 93,581,876	$ 22,662,055

(Continued)

See accompanying Notes to the Basic Financial Statements

City of Gilroy
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income to				
Net Cash Provided by Operating Activities:				
Operating income	$ 707,344	$ 249,386	$ 956,730	$ 338,908
Adjustments to reconcile to net cash provided by Operating activities:				
Depreciation and amortization	1,592,330	1,465,670	3,058,000	1,509,132
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	(205,899)	(301,304)	(507,203)	(37,724)
(Increase)/decrease in lease receivables	-	-	-	302,867
(Increase)/decrease in prepaid items	(2,994)	(2,994)	(5,988)	231,028
(Increase)/decrease in deferred outflows of resources related to pensions	32,687	341,528	374,215	135,614
(Increase)/decrease in deferred outflows of resources related to OPEB	20,510	50,201	70,711	20,700
Increase/(decrease) in accounts payable	279,071	(257,536)	21,535	(103,273)
Increase/(decrease) in accrued liabilities	64,711	417,426	482,137	64,017
Increase/(decrease) in deposits payable	-	9,670	9,670	500
Increase/(decrease) in compensated absences	101,047	(90,974)	10,073	29,023
Increase/(decrease) in claims payable	-	-	-	363,480
Increase/(decrease) in net pension liabilities	781,644	(549,473)	232,171	(76,633)
Increase/(decrease) in total OPEB liabilities	107,329	3,799	111,128	27,880
Increase/(decrease) in deferred inflows of resources related to leases related	-	-	-	(307,344)
Increase/(decrease) in deferred inflows of resources related to pensions	(20,991)	(24,561)	(45,552)	(12,915)
Increase/(decrease) in deferred inflows of resources related to OPEB	(56,342)	(106,721)	(163,063)	(47,176)
Net Cash Provided by Operating Activities	$ 3,400,447	$ 1,204,117	$ 4,604,564	$ 2,438,084
Noncash Financing, capital or Investing activities:				
City share of DCU net loss	$ (2,472,226)	$ -	$ (2,472,226)	$ -
Acquisition of subscription assets	$ (12,361)	$ (12,360)	$ (24,721)	$ (1,254,735)
Amortization on bond premium	$ (159,243)	$ -	$ (159,243)	$ -
Issuance of lease and subscription liabilities	$ 12,361	$ 12,360	$ 24,721	$ 1,254,735

(Concluded)

See accompanying Notes to the Basic Financial Statements

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FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF
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City of Gilroy
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds
ASSETS	
Cash and investments	$ 927,102
Cash and investments with fiscal agent	301,229
Accounts receivable	1,119
Total assets	1,229,450
NET POSITION	
Restricted For:	
Individuals, organizations and other governments	1,229,450
Total net position	$ 1,229,450

See accompanying Notes to the Basic Financial Statements

City of Gilroy
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Custodial Funds
ADDITIONS:	
Taxes	$ 910,772
Investment income	31,384
Other income	145
Total additions	942,301
DEDUCTIONS:	
General administration	32,221
Payments on conduit bonds - principal	744,468
Payments on conduit bonds - interest	135,959
Total deductions	912,648
CHANGE IN NET POSITION	29,653
NET POSITION:	
Beginning of year	1,199,797
End of year	$ 1,229,450

See accompanying Notes to the Basic Financial Statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Gilroy
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For the Year Ended June 30, 2025

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Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Gilroy, California, (the "City") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's significant policies:

A. Description of the Reporting Entity

The City was incorporated in 1870 under the general laws of the State of California and became a charter city on January 8, 1960. The City operates under the Council-Administrator form of government. As required by U.S. GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the organization is able to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Blended Component Unit

The **Gilroy Public Facilities Financing Authority ("Gilroy Public Authority")** is considered to be a blended component unit of the reporting entity of the City because its sole purpose is to finance and construct the City's public facilities. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported within the funds of the primary government. The Gilroy Public Authority does not issue separate component unit financial statements.

Discretely Presented Component Unit ("DCU")

The **South County Regional Wastewater Authority ("Authority")** was created on July 1, 1992 by the City of Gilroy and City of Morgan Hill ("Member Agencies"). The purpose of the Authority is to plan and implement regional solutions to the wastewater treatment and management problems resulting from the generation of wastewater within the service areas of the Member Agencies. To achieve this purpose, the Authority constructs, maintains and operates facilities for sewage treatment and wastewater reclamation. The City of Gilroy and the City of Morgan Hill have a 58.1% and 41.9% capacity interest in the wastewater treatment plant, respectively which is used to determine the capital contribution amounts by the Member Agencies and the pro-rata share of the Authority's income (loss).

The Authority is governed by a Board of Directors, which consists of three members from the Gilroy City Council and two members from the Morgan Hill City Council. The Authority's budget and annual contribution requirements are approved by the Board of Directors of the Authority. The City's management provides accounting services, engineering services and administrative support to the Authority. Daily operations of the Authority have been contracted directly to a private provider of services for wastewater management and operations. The Authority is presented in a separate column to emphasize that it is legally separate from the City but provides a financial benefit to the City. Debt issued by the Authority requires approval by the City, and the City approves the budget of the Authority.

Complete financial statements of the Authority can be obtained from the City's administrative offices.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, net position/fund balance, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. The DCU column in the government-wide statement of net position and statement activities includes the financial data of the Authority. The City's equity investment in the Authority is reported in the Sewer Fund as an Equity Investment in the DCU and is adjusted annually using the equity method of accounting. Fiduciary activities of the City are not included in the Government-Wide statements.

These financial statements are presented on an *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences between fund balance as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or *"current financial resources"* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recognized as soon as they are both “measurable” and “available”. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

General Fund - The General Fund is used to account for resources traditionally associated with governments which are not required by law or sound financial management to be accounted for in another fund.

Public Facilities Impact Capital Projects Fund - This fund has been established to track expenditures related to the construction of facilities for public use.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City’s internal service funds include seven individual funds which provide services directly to other City funds. These areas of service include - Fleet Services, Equipment Outlay, Workers' Compensation, General Liability, Facility Services, Information Technologies and Personnel Benefits.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

Proprietary funds are accounted for using the *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major enterprise funds:

Sewer Fund - This fund is used to account for sewage stations and collection systems provided by the City to the public.

Water Fund - This fund is used to account for water services provided by the City to the public.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. These fiduciary funds are accounted for using the *"economic resources"* measurement focus and the accrual basis of accounting. These funds have been established to account for assets received and held by the City while acting in the capacity of an agent or custodian.

The City reports the following custodial funds:

Custodial Funds - These funds account for resources held by the City in custodial capacity for special assessments collected to pay the bonded indebtedness for the Highway 152 Series Bonds and for the revenues that come from fundraising and donations used to buy equipment for the Senior Center.

Discretely Presented Component Unit Financial Statements

The activities of the Authority closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. The Authority provides services on a continuous basis and its activities are substantially financed by revenues derived from user charges and contributions from the member agencies. The Authority utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash and Investments

The City pools its available cash for investment purposes. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets and liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets and liabilities at the measurement date.

The statement of cash flows requires presentation of "cash and cash equivalents". For this purpose, the City considers all proprietary fund pooled cash and investments as "cash and cash equivalents", as such funds are available to the various funds as needed.

Disclosures for deposits and investment risks, as required and applicable, have been provided in Note 3:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

D. Interfund Loans Receivable and Payable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from/to other funds" (i.e., current portion of interfund loans) or advances to/from other fund (i.e., noncurrent interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "interfund balances".

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Accounts Receivable and Due from Other Governments

All accounts receivable and due from other governments are shown net of any allowance for doubtful accounts, if applicable, and estimated refunds due.

F. Loans Receivable

The accompanying financial statements reflect the recording of certain loans receivable that represent loans made to various parties for homebuyer and rehabilitation loan programs. Where reasonably estimable, an allowance for doubtful accounts has been recorded to reflect management's best estimate of probable losses associated with nonrepayment.

G. Land Held for Resale

Land held for resale represents land, structures, and their related improvements acquired for resale. The current land held for resale includes a multi-family residential project which was acquired via foreclosure process by the Housing Trust Fund and converted to affordable rental units and is recorded at the lower of cost or net realizable value and is evaluated for impairment on an annual basis. The City intends to sell the property to a non-profit affordable housing developer to rehabilitate the existing facility and maintain it as affordable housing units.

H. Leases

The City is a lessor for leases of buildings and land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the average of the Local Agency Investment Fund ("LAIF") rate and the incremental borrowing rate (IBR) provided by the City's financial institution for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at acquisition value at the date of the contribution. Generally, capital asset purchases in excess of $10,000 are capitalized if they have an expected useful life of more than one year. Capital assets include all public domain (infrastructure) assets consisting of certain improvements including roads, streets, sidewalks, medians and storm drains.

The following schedule summarizes capital asset useful lives:

Buildings and improvements	40 years
Machinery and equipment	5 - 25 years
Furniture and fixtures	10 - 20 years
Vehicles	8 years
Infrastructure	5 - 70 years

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

Right-of-Use Subscription Assets

Subscription assets are recorded at the amount of the initial measurement of the *Subscription-Based Information Technology Arrangement* (SBITA) liabilities ("subscription liabilities") and adjusted by any subscription payments to the SBITA vendor at or before the commencement of the subscription term, less any incentives received from the SBITA vendor at or before the commencement of the subscription term along with subscription implementation costs. Subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying information technology assets.

J. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a subscription liability and a right-to-use subscription asset (subscription asset) in the financial statements. The City recognizes subscription liabilities with an initial, individual value of $10,000 or more with a subscription term greater than one year. Variable payments based on future performance of the City, usage of the underlying IT asset, or number of user seats are not included in the measurement of the subscription liability, rather, those variable payments are recognized as outflows of resources (expenses) in the period the obligation for those payments is incurred.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, less any payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

- Preliminary Project Stage: Outlays are expensed as incurred.
- Initial Implementation Stage: Outlays are capitalized as an addition to the subscription asset.

Upon adoption, the City elected to exclude the capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage that were incurred prior to the implementation of this Statement in the measurement of subscription assets as of July 1, 2022.

Subscription assets are reported within capital assets and subscription liabilities are reported with long-term debt on the statement of net position. Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT asset, unless the subscription contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the subscription asset is amortized over the useful life of the underlying IT asset.

Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITA.

- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

K. Deferred Outflows/Inflows of Resources

The Statement of Net Position and Balance Sheet – Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods.

L. Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities. In the fund financial statements, only proprietary fund and private-purpose trust fund types recognize the interest payable when the liability is incurred.

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Unearned Revenue

Unearned revenue is reported for transactions for which revenue has been received but has not yet been earned. Unearned revenues primarily consist of prepaid charges for services and grant allocations.

N. Compensated Absences

Compensated absences are liabilities for leave attributable to services already rendered that accumulate and are more likely than not to be paid. Compensated absences primarily consist of vacation and sick leave. The City's liability for compensated absences is recorded in governmental or business-type activities, as appropriate.

The liability for compensated absences is recognized as leave is earned, based on the employee's pay rate in effect at the financial statement date, including any applicable salary-related costs. The liability includes only amounts attributable to services already rendered that are more likely than not to be paid or used. Amounts expected to be liquidated with expendable available financial resources are reported as fund liabilities, while the remaining balance is reported as a long-term liability in the Statement of Net Position.

O. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Other Postemployment Benefits Liability (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the City's OPEB plan have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

Q. Claims Payable

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City's self-insurance activity.

R. Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and amortization and related deferred charges on refunding, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those items, net of unspent debt proceeds.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Separate line items are used to distinguish among major categories of restrictions and are further displayed as expendable or nonexpendable based on the nature of the restriction.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City's nonspendable fund balance represents inventory, prepaid expenses, land held for resale, and loans receivable unless the proceeds from the collection of those loans receivable or from sale of the properties is restricted, committed, or assigned.

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council, as the City's highest level of decision-making authority, may commit, through a resolution, fund balance for specific purposes pursuant to constraints imposed by such formal actions taken. Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action taken to establish the commitment.

Assigned fund balance consists of funds that are set aside for specific purposes by the City's highest level of decision-making authority or a body or official that has been given the authority to assign funds. The City has not adopted a policy on the authority to assign amounts for specific purposes.

Unassigned fund balance is the residual classification for the City's fund balance and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance:

- Committed
- Assigned
- Unassigned

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Property Taxes

Property taxes in the State of California are administered for all local agencies at the County level, and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations - are established by the Assessor of the County of Santa Clara for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIIIA of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax Levies - are limited to 1% of full market value which results in a tax rate of $1.00 per $100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates - are attached annually on March 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections - are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property may be paid in two installments. The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10, and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

Tax Levy Apportionments - Due to the nature of the City-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees - The State of California fiscal year 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

U. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP, requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Reclassification

Certain reclassification have been made to the 2024 financial statements to conform to the 2025 presentation.

W. Implementation of New GASB Pronouncements

During fiscal year ended June 30, 2025, the City implemented the following new GASB Pronouncement:

GASB Statement No. 101 – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Implementation of this Statement resulted in a restatement of the beginning net position as of July 1, 2024, as presented in Note 18.

GASB Statement No. 102 – In December 2023, the GASB issued Statement No. 102*, Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2025.

Note 2 – Stewardship, Compliance and Accountability

A. Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, and similar governmental funds. Encumbrances outstanding at fiscal year-end are reported as committed or assigned fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in-process at fiscal year-end are completed. They do not constitute expenditures or estimated liabilities. The significant amounts of encumbrances outstanding as of June 30, 2025 was $14,362,049.

B. Continuing Appropriations

The unexpended and unencumbered appropriations that are available and recommended for continuation are approved by the City Council for carryover to the following fiscal year. These commitments are reported as committed or assigned fund balance.

Note 2 – Stewardship, Compliance and Accountability (Continued)

C. Deficit Fund Balances/Net Position

The following funds contained a deficit fund balance/net position as of June 30, 2025:

Funds	Amount
Major Governmental Fund:	
Public Facilities Impact Capital Projects Fund	$ (2,300,953)
Nonmajor Governmental Funds:	
Downtown Beautification Capital Projects Fund	(828,971)
Internal Service Fund:	
Workers' Compensation Fund	(3,173,753)
General Liabilities Fund	(194,180)

In the Government-Wide Financial Statements, the City had a deficit unrestricted net position at June 30, 2025 for its governmental activities of $(12,889,972) of which, $(94,014,599) and $(13,371,613) were attributed to net pension liabilities and total other postemployment benefits liabilities, respectively. City management intends to eliminate the deficit of the capital projects funds with future receipts, and City management believes the present cash position of the Internal Service Funds are adequate to meet current needs.

D. Excess of Expenditure Over Appropriations

The following funds contained excess of expenditures over final appropriations for the year ended June 30, 2025:

Funds	Final Appropriations	Expenditures	Excess
Nonmajor Governmental Funds:			
Gilroy Community Library Debt Service Fund	$ 1,844,295	$ 1,846,487	$ (2,192)
Museum Trust Permanent Fund	-	3,124	(3,124)

Note 3 – Cash and Investments

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. Cash and investments are presented in the accompanying financial statements at June 30, 2025 as follows:

	Government-Wide Statement of Net Position			Statement of Fiduciary Net Position	Total
	Governmental Activities	Business-type Activities	Component Unit		
Cash and investments	$ 116,504,572	$ 86,036,535	$ 19,492,595	$ 927,102	$ 222,960,804
Cash and investment with fiscal agent	5,670,746	7,545,341	-	301,229	13,517,316
Total cash and investments	$ 122,175,318	$ 93,581,876	$ 19,492,595	$ 1,228,331	$ 236,478,120

Note 3 – Cash and Investments (Continued)

Cash and investments at June 30, 2025, consisted of the following:

Cash:		
Petty cash	$	4,955
Demand deposits		5,815,619
Total cash		5,820,574
Investments:		
Local Agency Investment Fund		80,076,287
California CLASS		27,583,616
Federal Home Loan		21,215,700
U.S. Treasury Notes		88,264,627
Investments with Fiscal Agent:		
U.S. Treasury SLGS Demand Deposit		7,544,461
Money Market Mutual Fund		303,633
Restricted investment with PARS		5,669,222
Total investments		230,657,546
Total cash and investments	$	236,478,120

A. Demand Deposits

The carrying amount of the City's demand deposits were $5,815,619 at June 30, 2025. Bank balances before reconciling items were $5,965,204 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor.

Thus, collateral for cash deposits is considered to be held in the City's name. The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City, however, has not waived the collateralization requirements.

Note 3 – Cash and Investments (Continued)

B. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table below does not identify investment types that are authorized and held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	N/A	None	None
U.S. Government Sponsored Agency Securities	N/A	None	None
Insured Certificate of Deposit (CD's)	N/A	15%	$250,000
California CLASS	N/A	15%	None
Banker's Acceptances	N/A	15%	None
Commercial Paper	N/A	10%	None
Passbook Savings or Money Market Demand Deposits	N/A	None	None
Money Market Mutual Funds	N/A	5%	None

Liquidity:

*Securities or bonds purchased under a prior investment policy may be held or sold but additional purchases shall not be made.
N/A- Not applicable

C. Fair Value Measurements

At June 30, 2025, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2025:

Investment Type	Total	Level 1	Level 2	Uncategorized
Primary Government				
Local Agency Investment Fund	$ 62,540,009	$ -	$ -	$ 62,540,009
California CLASS	27,583,616	-	-	27,583,616
Federal Home Loan	21,215,700	-	21,215,700	-
U.S. Treasury Notes	88,264,627	88,264,627	-	-
U.S. Treasury SLGS Demand Deposit	7,544,461	-	-	7,544,461
Restricted investment with PARS	5,669,222	-	5,669,222	-
Money Market Mutual Fund	303,633	-	-	303,633
Component Unit				
Local Agency Investment Fund	17,536,278	-	-	17,536,278
Total	$ 230,657,546	$ 88,264,627	$ 26,884,922	$ 115,507,997

Note 3 – Cash and Investments (Continued)

D. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is as follows:

		Remaining Maturity (in Months)	
Investment Type	Total	12 Months or less	More than 12 Months
Local Agency Investment Fund	$ 80,076,287	$ 80,076,287	$ -
California CLASS	27,583,616	27,583,616	-
Federal Home Loan	21,215,700	21,215,700	-
U.S. Treasury Notes	88,264,627	78,315,185	9,949,442
U.S. Treasury SLGS Demand Deposit	7,544,461	7,544,461	-
Restricted investment with PARS	5,669,222	5,669,222	-
Money Market Mutual Fund	303,633	303,633	-
Total	$ 230,657,546	$ 220,708,104	$ 9,949,442

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy or debt agreements, and the actual rating by Standard & Poor's as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	AAA	AA1	N/A
Local Agency Investment Fund	$ 80,076,287	N/A	$ -	$ -	$ 80,076,287
California CLASS	27,583,616	AAA	27,583,616	-	-
Federal Home Loan	21,215,700	AA1	-	21,215,700	-
U.S. Treasury Notes	88,264,627	AA1	-	88,264,627	-
U.S. Treasury SLGS Demand Deposit	7,544,461	N/A	-	-	7,544,461
Restricted investment with PARS	5,669,222	N/A	-	-	5,669,222
Money Market Mutual Fund	303,633	N/A	-	-	303,633
Total	$ 230,657,546		$ 27,583,616	$ 109,480,327	$ 93,593,603

F. Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total City investments. The money market funds held with fiscal agents are related to bond issuances and reserves and not subject to the limitation set by California Government Code.

Note 3 – Cash and Investments (Continued)

G. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

For investments identified herein as held by fiscal agent, the trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

H. Investment in State Investment Pools

Local Agency Investment Fund

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2025, the City had $80,076,287 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

California Cooperative Liquid Assets Securities System

California Cooperative Liquid Assets Securities System ("CLASS") is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenience method for investing in high-liquid, short to medium term securities. Deposits and withdrawals to and from California CLASS are transferred on the basis of $1 at amortized cost, which approximates fair value.

As of June 30, 2025, The City had $27,583,616 invested in the California CLASS.

Note 4 – Loans Receivable

At June 30, 2025, loans receivable consisted of the following:

	Governmental Activities
Down payment assistance	$ 1,851,485
Housing improvement to non-profits	450,000
Involuntary liens	131,345
Affordable housing development loans	790,000
Housing rehabilitation	206,316
Subtotal	3,429,146
Less: Allowance for uncollectible loans	(398,566)
Total loans receivable	$ 3,030,580

The City made deferred loans to senior citizens, the physically handicapped, and low to moderate income residents for the purposes of rehabilitation and down payment assistance. These loans are repaid at the end of a 30 year term or when the title to the property changes. The City also made deferred loans to third party housing non-profits to fund housing projects which are due the earlier of 55 years after completion of the projects or December 31, 2074. Where reasonably estimable, an allowance for doubtful accounts has been recorded to reflect management's best estimate of probable losses associated with nonrepayment. Estimates of any additional potential losses associated with nonrepayment cannot be reasonably estimated at this time.

Note 5 – Interfund Transactions

A. Due to/from Other Funds

The following is a summary of amounts due to and from other funds as of June 30, 2025:

	Due From Other Funds
Due To Other Funds	General Fund
Nonmajor Governmental Funds	$ 1,080,338
Internal Service Funds	5,021
Total	$ 1,085,359

The due to/from other funds are to provide cash flow for the funds with negative cash and for other short-term borrowings between funds.

B. Advances to/from Other Funds

The following is a summary of advances to and from other funds as of June 30, 2025:

	Advances from Other Funds		
Advances to Other Funds	Nonmajor Governmental Funds	Internal Service Funds	Total
Public Facilities Impact Capital Projects Fund	$ 635,161	$ 1,916,723	$ 2,551,884

Note 5 – Interfund Transactions (Continued)

B. Advances to/from Other Funds (Continued)

In February 2008, the City purchased the Gilroy Gardens Property (Property), which includes a horticultural education and theme park, for approximately $13.7 million. At the same time, the City entered into a single tenant lease of the Property with the seller, Gilroy Gardens Family Theme Park, Inc. To fund the acquisition, the Public Facilities Impact Fund borrowed from certain funds which is accounted for as a long-term advance for a period of 20 years. The annual loan activity is budgeted through revenue and expenditure transactions. The loan interest is at the City's annual average portfolio yield. The original loan amounts were as follows: Storm Drain Fund ($1.2 million), the Sewer Development Fund ($5.0 million), the Fleet Services Fund ($4.3 million), the Equipment Outlay Fund ($2.2 million) and the Water Fund ($1.0 million). The outstanding balance of the interfund loan was $2,551,884 as of June 30, 2025.

The payment schedule is as follow:

Year ending June 30,	Principal	Interest	Total
2026	$ 788,109	$ 28,924	$ 817,033
2027	740,960	20,679	761,639
2028	1,022,815	8,317	1,031,132
Total	$ 2,551,884	$ 57,920	$ 2,609,804

C. Transfers

During the year ended June 30, 2025, the City had the following transfers:

	Transfers Out					
Transfers In	General Fund[1]	Public Facilities Impact Capital Projects Fund[2]	Nonmajor Governmental Funds[3]	Sewer Enterprise Fund[4]	Water Enterprise Fund[4]	Total
General Fund	$ -	$ -	$ 288,969	$ 423,301	$ 474,603	$ 1,186,873
Public Facilities Impact Capital Projects Fund	81,526	-	-	-	-	81,526
Nonmajor Governmental Funds	99,985	2,978,011	2,031,766	-	-	5,109,762
Water Enterprise Fund	11,786	-	-	-	-	11,786
Sewer Enterprise Fund	56,702	-	-	-	-	56,702
Total	$ 249,999	$ 2,978,011	$ 2,320,735	$ 423,301	$ 474,603	$ 6,446,649

[1]General Fund support of certain capital projects, safety related grants, and IT services.

[2]Public Facilities Impact Capital Projects Fund supports various debt instruments.

[3]Nonmajor Governmental Funds support of grant personnel costs, debt retirements.

[4]Enterprise Fund transfers to the General Fund to support impact to local streets and roads costs and environmental costs.

Note 5 – Interfund Transactions (Continued)

D. Due to/from Component Unit

The following is a summary of due to and from the Authority as of June 30, 2025:

Due from Component Unit	South Regional Wastewater Authority
Sewer Enterprise Fund	$ 566,986

During the fiscal year June 30, 2025, the amount of the Authority billed to the City was based on the budget, which is more than actual expense. As of June 30, 2025 the balance of due to the City are the amount of overpaid for operating and capital contributions at year end.

Note 6 – Lease Receivables

The City leases various types of property including land and buildings. Leases receivable consist of agreements with other entities for the "right–to–use" the underlying assets at various locations owned by the City. The remaining terms of the agreements range from 1 to 37 years. The interest rates used calculated the net present value of the lease receivable ranged from 1% to 1.705%.

As of June 30, 2025, the balance of the deferred inflow of resources for governmental activities and the DCU were $5,472,552 and $39,733, respectively. For the fiscal year ended June 30, 2025, the City and DCU recognized $254,598 and $96,713 in lease revenue, respectively, and the outstanding net present value of the lease receivable amount are $5,695,466 and 0 for the City and DCU, respectively.

At June 30, 2025, the required payments for the governmental activities for these leases, including interest, and deferred inflow-lease related future revenue are:

	Governmental activities		
Year Ending June 30,	NPV lease receivables	Interest	Total lease payments
2026	$ 153,840	$ 94,948	$ 248,788
2027	164,407	92,516	256,923
2028	165,714	90,009	255,723
2029	168,260	87,463	255,723
2030	170,847	84,876	255,723
2031 - 2035	687,047	388,211	1,075,258
2036 - 2040	638,173	335,407	973,580
2041 - 2045	694,464	279,116	973,580
2046 - 2050	755,721	217,859	973,580
2051 - 2055	822,380	151,200	973,580
2056 - 2060	894,920	78,660	973,580
2061 - 2062	379,693	9,738	389,431
Total	$ 5,695,466	$ 1,910,003	$ 7,605,469

Note 7 – Capital Assets

Governmental Activities

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30, 2025:

	Balance July 1, 2024 (As Reclassified)	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets not being depreciated:					
Land	$ 21,334,900	$ 1,315,000	$ -	$ -	$ 22,649,900
Construction in progress	14,980,116	6,790,988	-	(15,094,822)	6,676,282
Total capital assets not being depreciated	36,315,016	8,105,988	-	(15,094,822)	29,326,182
Capital assets being depreciated:					
Building and improvements	125,572,487	3,271,086	-	-	128,843,573
Equipment and furniture	13,122,740	551,161	-	-	13,673,901
IT equipment and software	4,830,075	318,478	-	-	5,148,553
Vehicle	15,259,482	1,501,004	-	-	16,760,486
Infrastructure	302,402,241	44,865	(377,253)	15,094,822	317,164,675
Total capital assets being depreciated	461,187,025	5,686,594	(377,253)	15,094,822	481,591,188
Less accumulated depreciation for:					
Building and improvements	(55,627,680)	(3,119,741)	-	-	(58,747,421)
Equipment and furniture	(10,147,803)	(636,059)	-	-	(10,783,862)
IT equipment and software	(2,906,027)	(217,523)	-	-	(3,123,550)
Vehicle	(10,613,443)	(737,506)	-	-	(11,350,949)
Infrastructure	(212,948,210)	(6,724,892)	377,253	-	(219,295,849)
Total accumulated depreciation	(292,243,163)	(11,435,721)	377,253	-	(303,301,631)
Total capital assets being depreciated, net	168,943,862	(5,749,127)	-	15,094,822	178,289,557
Intangible assets being amortized:					
Right-to-use subscription assets	1,880,276	1,279,455	(120,853)	-	3,038,878
Less accumulated amortization	(837,012)	(527,677)	120,853	-	(1,243,836)
Total subscription assets, net	1,043,264	751,778	-	-	1,795,042
Total governmental activities	$ 206,302,142	$ 3,108,639	$ -	$ -	$ 209,410,781

Depreciation and amortization expense was charged to functions/programs of governmental activities for the year ended June 30, 2025 as follows:

General government	$ 980,610
Public safety	1,253,466
Public works	8,220,190
Internal Service Fund	1,509,132
Total	$ 11,963,398

Note 7 – Capital Assets (Continued)

Business-Type Activities

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets not being depreciated:					
Construction in progress	$ 410,041	$ 1,190,440	$ -	$ -	$ 1,600,481
Total capital assets not being depreciated	410,041	1,190,440	-	-	1,600,481
Capital assets being depreciated:					
Land improvements	427,852	184,006	-	-	611,858
Equipment and furniture	212,630	69,284	-	-	281,914
IT Equipment/software	15,000	-	-	-	15,000
Vehicles	468,517	962,520	-	-	1,431,037
Infrastructure	160,373,602	263,420	-	-	160,637,022
Total capital assets being depreciated	161,497,601	1,479,230	-	-	162,976,831
Less accumulated depreciation for:					
Land improvements	(427,853)	(3,451)	-	-	(431,304)
Equipment and furniture	(205,174)	(3,382)	-	-	(208,556)
IT Equipment/software	(11,500)	(3,500)	-	-	(15,000)
Vehicles	(65,413)	(69,073)	-	-	(134,486)
Infrastructure	(79,283,164)	(2,966,820)	-	-	(82,249,984)
Total accumulated depreciation	(79,993,104)	(3,046,226)	-	-	(83,039,330)
Total capital assets being depreciated, net	81,504,497	(1,566,996)	-	-	79,937,501
Subscription assets	22,500	24,721	-	-	47,221
Less accumulated amortization	(20,000)	(11,774)	-	-	(31,774)
Total subscription assets, net	2,500	12,947	-	-	15,447
Total business-type activities	$ 81,917,038	$ (363,609)	$ -	$ -	$ 81,553,429

Depreciation and amortization expense was charged to the business-type activities as follows:

Sewer	$ 1,592,330
Water	1,465,670
Total	$ 3,058,000

Note 7 – Capital Assets (Continued)

Discretely Presented Component Unit

The following is a summary of changes in capital assets for the DCU for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets not being depreciated:					
Land	$ 13,396,202	$ -	$ -	$ -	$ 13,396,202
Construction in progress	81,203,547	6,447,058	-	-	87,650,605
Total capital assets not being depreciated	94,599,749	6,447,058	-	-	101,046,807
Capital assets being depreciated:					
Building and improvements	77,632,391	291,268	-		77,923,659
Land improvements	10,681,371	-	-	-	10,681,371
Equipment and furnitures	20,097,850	168,578	-	-	20,266,428
Vehicles	1,641,145	113,059	-	-	1,754,204
Infrastructure	35,874,536	-	-	-	35,874,536
Total capital assets being depreciated	145,927,293	572,905	-	-	146,500,198
Less accumulated depreciation for:					
Building and improvements	(46,335,177)	(1,919,919)	-	-	(48,255,096)
Land improvements	(6,480,557)	(195,869)	-	-	(6,676,426)
Equipment and furniture	(17,603,098)	(636,212)	-	-	(18,239,310)
Vehicles	(1,256,360)	(57,042)	-	-	(1,313,402)
Infrastructure	(14,365,358)	(1,647,265)	-	-	(16,012,623)
Total accumulated depreciation	(86,040,550)	(4,456,307)	-	-	(90,496,857)
Total capital assets being depreciated, net	59,886,743	(3,883,402)	-	-	56,003,341
Total discretely component unit	$ 154,486,492	$ 2,563,656	$ -	$ -	$ 157,050,148

Depreciation expense was charged to the DCU was $4,456,307 for the year ended June 30, 2025.

Note 8 – Equity Investment in Discretely Presented Component Unit

The City and the City of Morgan Hill are members of the South County Regional Wastewater Authority, a joint powers authority ("Authority"), that provides for the construction, ownership, maintenance and operation of a domestic sewer treatment plant. The agreement provides for the participants' capacity right to use the system. The participants are also obligated to share in the annual direct operating costs of the Authority. The City maintains the accounting records for the Authority. The City's equity investment in the DCU is reported on the statement of net position of the City's sewer enterprise fund as an "equity investment in DCU" in the amount of $102,905,836 as required under the equity method of accounting for investments. The financial statements of the Authority can be obtained from the City's finance department.

Note 9 – Deferred Compensation

The City maintains a deferred compensation plan under Section 457 of the Internal Revenue Code (IRC) for the benefit of its employees. The plan allows the employees to defer or postpone the taxation of a designated amount of earnings set aside for retirement.

Note 9 – Deferred Compensation (Continued)

The City has a fiduciary responsibility to safeguard the assets of the program and to ensure that the plan is properly maintained by the plan administrator. Generally speaking, assets are available to participants only upon termination of employment with the City, retirement, death or disability. The City has placed the plan assets into a trust for the exclusive benefit of plan participants and their beneficiaries. Accordingly, all plan assets have been excluded from the accompanying financial statements. During the year, the City contributed $643,006 to the plan.

Note 10 – Long-Term Liabilities

A. Governmental Activities

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2025:

	Balance July 1, 2024 (as restated)	Additions	Deletions	Balance June 30, 2025	Classification: Due within One Year	Classification: Due in more than One Year
Public offerings:						
Refunding Lease Revenue Bonds:						
2020A Series	$ 10,685,000	$ -	$ (840,000)	$ 9,845,000	$ 880,000	$ 8,965,000
Unamortized premium	1,900,392	-	(209,217)	1,691,175	209,217	1,481,958
Total public offerings	12,585,392	-	(1,049,217)	11,536,175	1,089,217	10,446,958
Direct borrowings:						
Refunding Lease Revenue Bonds:						
2022A Series	13,524,685	-	(1,140,757)	12,383,928	1,183,287	11,200,641
General Obligation Bonds:						
Library 2019A Series	6,971,967	-	(370,226)	6,601,741	381,960	6,219,781
Library 2019B Series	15,499,805	-	(754,408)	14,745,397	778,864	13,966,533
Loan payable	485,844	-	(95,188)	390,656	96,195	294,461
Santa Clara County Loan	-	520,354	-	520,354	520,354	-
Subscription liabilities	706,018	1,279,456	(658,337)	1,327,137	602,764	724,373
Total direct borrowings:	37,188,319	1,799,810	(3,018,916)	35,969,213	3,563,424	32,405,789
Other long-term liabilities						
Claims payable	10,443,280	1,642,617	(1,279,137)	10,806,760	2,203,169	8,603,591
Compensated absences	4,138,757	277,581 *	-	4,416,338	530,460	3,885,878
Total long-term liabilities	$ 64,355,748	$ 3,720,008	$ (5,347,270)	$ 62,728,486	$ 7,386,270	$ 55,342,216

* The change in the compensated absences liability is presented as a net change.

Refunding Lease Revenue Bonds (LRBs) 2020A Series

On August 1, 2020, the Gilroy Public Facilities Financing Authority issued its Series 2020A Lease Revenue Refunding Bonds in the amount of $13,740,000. The bonds were issued at a premium of $2,719,825 which was deferred and will be amortized over the life of the bonds. The proceeds from the issuance were used to refund the outstanding Series 2010 Refunding LRBs and to pay the costs incurred in connection with the issuance of the 2020A bonds.

Interest on the bonds is payable semiannually at rate of 5% on May 1 and November 1 of each year commencing on November 1, 2020, and the Bonds mature on November 1, 2033. The principal balance of outstanding bonds at June 30, 2025 was $9,845,000.

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

The annual debt service requirements to maturity for the Refunding Lease Revenue Bonds 2020A Series are as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 880,000	$ 470,250	$ 1,350,250
2027	925,000	425,125	1,350,125
2028	1,000,000	377,000	1,377,000
2029	1,030,000	326,250	1,356,250
2030	1,085,000	273,375	1,358,375
2031-2034	4,925,000	507,875	5,432,875
Total	$ 9,845,000	$ 2,379,875	$ 12,224,875

Lease Revenue Refunding Bonds (LRBs) 2022A Series

On December 12, 2022, the City refinanced its Lease Revenue Bonds 2013 Series by issuing Lease Revenue Refunding Bonds, 2022 Series in the amount of $14,587,831. The proceeds from the issue were used to redeem the 2013 Series. The refunding resulted in $2,567,275 saving in future debt service payment and an economic gain of $2,096,091.

Interest on the bonds is payable semiannually at rates ranging from 3.66% to 4.66% on May 1 and November 1 of each year commencing on May 1, 2023, and the Bonds mature on November 1, 2033. The principal balance of outstanding bonds at June 30, 2025 was $12,383,928.

The annual debt service requirements to maturity for the Refunding LRBs 2022 Series are as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 1,183,287	$ 431,598	$ 1,614,885
2027	1,227,403	387,482	1,614,885
2028	1,273,163	341,722	1,614,885
2029	1,320,630	294,255	1,614,885
2030	1,369,866	245,019	1,614,885
2031-2034	6,009,579	449,961	6,459,540
Total	$ 12,383,928	$ 2,150,037	$ 14,533,965

General Obligation Bonds (Gilroy Community Library Project) 2019 Refunding Bonds, Series A

On June 26, 2019, the City issued General Obligation Refunding Bonds 2019 Series A through a private placement, in the amount of $8,633,538. The proceeds from the issue were used to currently refund the General Obligation Bonds Series 2009.

Interest on the bonds is payable semiannually at 3.12% on February 1 of each year commencing on February 1, 2020. The Bonds mature on February 1, 2039. The bonds are payable solely from ad valorem property taxes levied by the City and collected by the County. In the event of default, the principal of all Bonds may be declared due and payable upon the conditions. The principal balance of outstanding bonds at June 30, 2025 was $6,601,741.

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

General Obligation Bonds (Gilroy Community Library Project) 2019 Refunding Bonds, Series A (Continued)

The annual debt service requirements to maturity for the General Obligation Refunding Bonds, 2019 Series A are as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 381,960	$ 205,974	$ 587,934
2027	394,066	194,057	588,123
2028	406,556	181,762	588,318
2029	419,442	169,078	588,520
2030	432,736	155,991	588,727
2031-2035	2,378,312	568,671	2,946,983
2036-2039	2,188,669	173,379	2,362,048
Total	$ 6,601,741	$ 1,648,912	$ 8,250,653

General Obligation Bonds (Gilroy Community Library Project) 2019 Refunding Bonds, Series B

On November 5, 2019, the City issued General Obligation Refunding Bonds 2019 Series B through a private placement, in the amount of $19,087,551. The proceeds from the issue were used to currently refund the General Obligation Bonds Series 2010.

Interest on the bonds is payable semiannually at a rate of 3.19% on February 1 of each year commencing on February 1, 2020. The Bonds mature on February 1, 2040. The bonds are payable solely from ad valorem property taxes levied by the City and collected by the County. In the event of default, the principal of all Bonds may be declared due and payable upon the conditions. The principal balance of outstanding bonds at June 30, 2025 was $14,745,397.

The annual debt service requirements to maturity for the General Obligation Refunding Bonds, 2019 Series B are as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 778,864	$ 470,378	$ 1,249,242
2027	804,112	445,532	1,249,644
2028	830,179	419,881	1,250,060
2029	857,091	393,399	1,250,490
2030	884,875	366,057	1,250,932
2031-2035	4,873,709	1,388,122	6,261,831
2036-2040	5,716,567	558,706	6,275,273
Total	$ 14,745,397	$ 4,042,075	$ 18,787,472

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Loan Payable

The City entered into a loan agreement with the California Energy Commission (CEC) to provide funds to install equipment for energy conservation. Under the original loan agreement the City was authorized to borrow up to $1,812,722 with interest at 1% per annum, semiannual payments to be paid commencing December following the year the project was completed. The City borrowed a total of $1,201,155 with semiannual payments of interest and principal of $49,931 with the first payment occurring on December 27, 2016. In the event of default, the City shall pay the remaining balance immediately. The final payment will be on June 22, 2029. The principal balance of outstanding at June 30, 2025 was $390,656.

The annual debt service requirements to maturity for the loan is as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 96,195	$ 3,667	$ 99,862
2027	97,160	2,702	99,862
2028	98,130	1,732	99,862
2029	99,171	745	99,916
Total	$ 390,656	$ 8,846	$ 399,502

Santa Clara County Loan

The City entered into a loan agreement ("agreement") with County of Santa Clara on March 26, 2025 to fund the City's property purchase and sell to qualified homebuyer under the Below Market Rate Partnership Program. In the agreement, the City was authorized to borrow $520,354 as a short-term acquisition loan to purchase homes which will subsequently be sold to eligible purchasers through the Program. The principal amounts are expected to be paid off by the year ended June 30, 2026. The property is recorded as property held for resale in the Home Special Revenue Fund.

Subscription payable

The City entered into subscription agreements with various vendors for software. The terms of the agreements are ranging from 12 months to 48 months. The calculated interest rates range from 0.00% to 3.2067%. As of June 30, 2025, the net capitalized right-to-use assets related to SBITAs were $1,795,042 and the total subscription liability was $1,327,137 of which $602,764 is reported as a current liability representing the amount due within the next fiscal year.

The future subscription payments are as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 602,764	$ 30,310	$ 633,074
2027	270,239	18,242	288,481
2028	228,091	12,326	240,417
2029	226,043	6,247	232,290
Total	$ 1,327,137	$ 67,125	$ 1,394,262

Note 10 – Long-Term Liabilities (Continued)

B. Business-Type Activities

	Balance July 1, 2024 (as restated)	Additions	Deletions	Balance June 30, 2025	Classification Due within One Year	Classification Due in more than One Year
Public offerings:						
2021 Wastewater Revenue Bonds	$ 46,355,000	$ -	$ (755,000)	$ 45,600,000	$ 785,000	$ 44,815,000
Unamortized premium	5,255,022	-	(159,243)	5,095,779	-	5,095,779
Total public offerings	51,610,022	-	(914,243)	50,695,779	785,000	49,910,779
Other long-term liabilities						
Subscription liabilities	-	24,721	(11,247)	13,474	13,474	-
Compensated absences	534,950	10,072 *		545,022	136,255	408,767
Total long-term liabilities	$ 52,144,972	$ 34,793	$ (925,490)	$ 51,254,275	$ 934,729	$ 50,319,546

* The change in the compensated absences liability is presented as a net change.

2021A Wastewater Revenue Bonds

On June 30, 2021, the Gilroy Public Facilities Financing Authority issued revenue bonds in the amount of $47,080,000. The bonds were issued to finance the City's portion of certain improvements to the Authority's treatment facility.

The bonds are payable from revenues consisting primarily of installment payments payable by the City under an installment purchase agreement. The obligation of the city to make installment payments is a special obligation of the City payable solely from and secured by a pledge of net wastewater revenues of the City's wastewater system on a parity with the City's obligation to pay installment payments that secure the 2010 Wastewater Revenue Bonds. Interest on the bonds is payable at rates ranging from 3.0% to 4.0%. Principal payments range from $725,000 to $2,210,000 payable on August 1 of each year beginning in 2023 and maturing in 2057. The principal balance of outstanding bonds at June 30, 2025 was $45,600,000.

The annual debt service requirements (principal and interest) to maturity for the 2021A Wastewater Revenue Bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 785,000	$ 1,458,600	$ 2,243,600
2027	815,000	1,426,600	2,241,600
2028	850,000	1,393,300	2,243,300
2029	885,000	1,358,600	2,243,600
2030	920,000	1,322,500	2,242,500
2031-2035	5,205,000	6,016,400	11,221,400
2036-2040	6,255,000	4,969,575	11,224,575
2041-2045	7,270,000	3,950,250	11,220,250
2046-2050	8,450,000	2,773,500	11,223,500
2051-2055	9,810,000	1,406,550	11,216,550
2056-2057	4,355,000	131,625	4,486,625
Total	$ 45,600,000	$ 26,207,500	$ 71,807,500

Note 10 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Subscription payable

The City entered into subscription agreements with various vendors for software. The terms of the agreements are 12 months. The calculated interest rate is 2.0237%. As of June 30, 2025, the net capitalized right-to-use assets related to SBITAs were $15,447 and the total subscription liability was $13,474 which is due within the next fiscal year.

C. Debt without Government Commitment

Community Facilities District No. 2000-1, Highway 152, Special Tax Bonds

In December 2002, Community Facilities District No. 2000-1 pursuant to Mello-Roos Community Facilities Act of 1982, issued $7,185,000 of Special Tax Bonds to finance the costs associated with the construction of public facilities for interchange improvements at State Highway 152 and U.S. Highway 101 and for widening and improving Highway 152.

In September 2006, Community Facilities District No. 2000-1 pursuant to Mello-Roos Community Facilities Act of 1982, issued $8,670,000 of Special Tax Bonds to finance the costs associated with the construction of public facilities for interchange improvements at State Highway 152 and U.S. Highway 101 and for the widening and improving Highway 152.

These bonds were refunded in July 2018 with proceeds from the issuance in a private placement of Community Facilities District No. 2000-1 (Highway 152) Special Tax Refunded Bonds, Series 2018 in the aggregate principal amount of $7,815,860. These bonds do not constitute a debt or obligation of the City because they are payable solely from the Special Tax revenue assessed on the underlying parcels. The City is not liable for repayment but acts as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if appropriate. The outstanding principal balance as of June 30, 2025 was $3,713,003.

Note 11 – Defined Benefit Pension Plans (CalPERS)

A. General Information about the Pension Plans

Plan Descriptions

The City contribution to the California Public Employees Retirement System (“CalPERS”), an agent multiple employer defined benefit pension plan for miscellaneous employees and a cost-sharing multiple-employer defined benefit plan for safety employees. The Plans are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by state statutes within the Public Employees’ Retirement Law.

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

A. General Information about the Pension Plans (Continued)

Plan Descriptions (Continued)

The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City ordinance. CalPERS issues a separate annual comprehensive financial report. Copies of CalPERS's annual financial report may be obtained from the https://www.calpers.ca.gov.

All full-time employees of the City are eligible to participate in the Plans. Part-time employees and temporary employees who work an average of 20 hours per week and over 1,000 hours per year are also eligible to participate. Upon 5 years of service, miscellaneous employees and public safety employees who retire at or after age 50 are entitled to receive an annual retirement benefit.

The benefit is payable monthly for life, in an amount that varies from each Tier, of the employees' single highest year's salary for each year of credited service. The Plans also provide death and disability benefits.

In fiscal year 2020, the City established an irrevocable Section 115 trust with Public Agency Retirements Services (PARS) to set aside funds for pension liabilities. The City Council also adopted a related funding policy which notably direct to prepay the annual unfunded accrued liability payment and diverts an amount equal to the interest savings to the Section 115 Trust. In addition, at year-end, the policy requires an amount equal to up to 25% of the General Fund expenditure savings to be deposited to the Section 115 Trust. The City reserves the authority to review and amend the funding policy and the related investment strategy of the Trust to ensure both continue to meet the City's goals. As of June 30, 2025, the balance of the PARS Pension Trust is $4,613,783.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of services. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at the measurement date of June 30, 2024 are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Benefit per year of service, as a percentage of salary	2.0% to 3.0%	1.0% to 2.5%
Required employee contribution rates	8.000%	7.000%
Required contribution during measurement period	12.440%	12.440%

	Safety - Police		
Hire Date	Prior to January 5, 2011	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit vesting schedule	3 years of service	3 years of service	3 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-55	50-55	50-57
Benefit per year of service, as a percentage of salary	3.000%	2.00%-2.70%	2.00%-2.70%
Required employee contribution rates	9.000%	9.000%	13.000%
Required contribution during measurement period	21.670%	21.670%	21.670%

	Safety - Fire		
Hire Date	Prior to January 5, 2011	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	3% @ 55	2% @ 55	2% @ 57
Benefit vesting schedule	3 years of service	3 years of service	3 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-55	50-55	50-57
Benefit per year of service, as a percentage of salary	2.4%-3.0%	1.426%-2.0%	1.426%-2.0%
Required employee contribution rates	9.000%	7.000%	10.500%
Required contribution during measurement period	21.670%	21.670%	21.670%

Employees Covered

At the valuation date of June 30, 2023, the following employees were covered by the benefit terms for all Plans:

	Miscellaneous	Safety
Active employees	137	100
Transferred and terminated employees	219	51
Retired Employees and Beneficiaries	259	163
Total	615	314

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

A. General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

B. Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' membership data for all funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection. Allowance floor on purchasing power applies, 2.30% thereafter.

[1]The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

B. Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as follows:

Asset Class[1]	Current Target Allocation	Real Return[1,2]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100%	

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in Discount Rate

There were no discount rate changes in 2024.

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

C. Changes in the Net Pension Liability

The following table shows the changes in net pension liability for the City's miscellaneous plan recognized over the measurement period.

Miscellaneous Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023 (Valuation Date)	$ 136,671,753	$ 94,645,501	$ 42,026,252
Changes Recognized for the Measurement Period:			
Service cost	2,456,253	-	2,456,253
Interest on the total pension liability	9,427,957	-	9,427,957
Changes of benefit terms	-	-	-
Difference between expected and actual experience	2,715,977	-	2,715,977
Contributions from the employer	-	4,753,498	(4,753,498)
Contributions from employees	-	1,155,717	(1,155,717)
Net investment income	-	9,049,173	(9,049,173)
Benefit payments, including refunds of employee contributions	(7,957,586)	(7,957,586)	-
Administrative expenses	-	(77,013)	77,013
Net changes during July 1, 2023 to June 30, 2024	6,642,601	6,923,789	(281,188)
Balance at June 30, 2024 (Measurement Date)	$ 143,314,354	$ 101,569,290	$ 41,745,064

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the City's Safety Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

Safety	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2023 (Valuation Date)	$ 213,232,532	$ 146,612,430	$ 66,620,102
Balance at June 30, 2024 (Measurement Date)	223,241,125	157,996,149	65,244,976
Net changes during July 1, 2023 to June 30, 2024	(10,008,593)	(11,383,719)	1,375,126

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

(1) In determining a cost-sharing plan's proportionate share, CalPERS' staff calculated the total amounts of liabilities and assets for the risk pool on the valuation date (June 30, 2023). The risk pool's fiduciary net position (FNP) subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

C. Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

(2) Using standard actuarial roll-forward methods, the staff then calculated the risk-pool TPL at the measurement date (June 30, 2024). The staff then subtracted the risk-pool FNP at the measurement date from this number to determine the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30 2024, less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2023-2024).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of market value assets.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by ,the amounts in step (I), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City's share of net pension liability at the end of measurement date.

	Safety
Proportion — June 30, 2023	0.53401%
Proportion — June 30, 2024	0.53799%
Change — Increase/(Decrease)	0.00398%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for all Plans, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan	$ 59,394,957	$ 41,745,064	$ 27,096,423
Safety Plan	$ 95,739,500	$ 65,244,976	$ 40,304,743

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized pension expense in the amounts of $6,377,123 and $28,690,193 for the miscellaneous plan and safety plan, respectively.

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

As of measurement date of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	$ 5,357,547	$ -
Difference between expected and actual experience	1,856,380	-
Net difference between projected and actual earning on pension plan investments	1,433,535	-
Total	$ 8,647,462	$ -

Safety Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	$ 8,831,986	$ -
Change in assumptions	1,607,502	-
Difference between expected and actual experience	5,324,570	(173,125)
Differences between Actual Contributions vs. Proportionate Share of Contributions	4,008,486	-
Change in Employer Proportion	20,820,110	(775,622)
Net difference between projected and actual earnings on pension plan investments	3,153,645	-
Total	$ 43,746,299	$ (948,747)

The expected average remaining service lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and the safety risk pool for the 2023-24 measurement period is 2.5 and 3.8 years, which was obtained by dividing the total service years of 1,534 and 630,177 (the sum of remaining service lifetimes of the active employees) by 615 and 166,163 (the total number of participants: active, inactive, and retired), respectively.

The $5,357,547 reported in the Miscellaneous Plans and $8,831,986 reported in the Safety Plans as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability and collection of net pension liability in the measurement period ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/(Inflows) of Resources: Miscellaneous Plan	Deferred Outflows/(Inflows) of Resources: Safety Plan
2025	$ 1,193,207	$ 17,586,483
2026	3,029,320	17,240,011
2027	(412,631)	218,107
2028	(519,981)	(1,079,035)
Thereafter	-	-
	$ 3,289,915	$ 33,965,566

Note 12 – Other Postemployment Benefits (OPEB)

Plan Description

The City administers a single-employer defined-benefit post-employment healthcare plan (the Plan). Dependents are eligible to enroll, and benefits continue to surviving spouses. For all retirees under the plan, the City contributes the PEMHCA minimum contribution on the unequal method for eligible retirees and surviving spouses. The PEMHCA minimum amount is $151 in 2023 and $157 in 2024. No dental, vision or life insurance benefits are provided. During Fiscal Year 2025 the City established a Section 115 Trust to pre-fund its OPEB liabilities, with a one-time contribution of $500,000 to the trust from the General Fund. In addition, the City adopted a funding policy which diverts 25% of the annual General Fund expenditure savings to the Trust.

Benefits Provided

Employees are eligible for lifetime retiree health benefits. The earliest service retirement eligibility requirements under CalPERS are as follows: hired before January 1, 2013, age 50 with 5 years of CalPERS service, or hired on/after 1/1/2013, age 52 with 5 years of CalPERS service. Employees are allowed to elect spousal coverage at retirement. Retiree medical coverage continues to surviving spouses at the death of retirees as long as the required contributions are made and the retiree elects for the surviving spouse to continue receiving benefits. There is no surviving spouse coverage at the death of active employees. Retirees contribute the portion of premium rates not covered by the employer subsidy. The employer contributes the PEMHCA minimum amount. In addition to the PEMHCA minimum amount, the City has a Retention/Recognition Incentive Benefit (RRIB) program where the City provides $15 per month per City years of service up to a cap, until age 65. The cap varies by employee group and hire date. The amount of City-provided contribution is the same regardless of the retiree's dependent coverage and health plan choice.

Employees Covered

At June 30, 2023, Valuation date, the following current and former employees were covered by the benefit terms under the plan:

Active employees	243
Inactives, spouses, or beneficiaries currently receiving benefit payments	135
Total	378

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	June 30, 2024	
Discount Rate	4.09%	
Inflation	2.30%	
Healthcare Cost Trend Rates		
Pre-Medicare	6.80%	*
Medicare	4.17%	*
Salary Increases	2.80%	**
Mortality Rates	Based on CalPERS Tables	

*Trending down to 4.14% over 51 years. Applies to calendar years.
**Additional merit-based increases based on CalPERS merit salary increase tables.

Note 12 – Other Postemployment Benefits (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (Continued)

- Projections of the sharing of benefit-related costs are based on an established pattern of practice.
- Experience studies come from the CalPERS Pension Assumption Model, effective November 17, 2021.
- Inactive employees (retirees) pay the cost of benefits in excess of the City's contribution.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the net OPEB liability.

Discount Rate

The discount rate used to measure the total OPEB liability is 4.09%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

Change of Assumptions

Discount rate was updated from 3.86% to 4.09%. The healthcare treads and other assumptions were also updated.

Changes in total OPEB Liability

The change in total OPEB liability are as follows:

	Total OPEB Liability
Balance at June 30, 2023 (Measurement Date)	$ 15,680,451
Changes Recognized for the Measurement Period:	
Service Cost	907,244
Interest on the total OPEB liability	624,849
Difference between expected and actual experience	(6,796)
Changes of assumptions	(378,243)
Benefit payments	(371,889)
Implicit Subsidy Credit	(427,938)
Net Changes during July 1, 2023 to June 30, 2024	347,227
Balance at June 30, 2024 (Measurement Date)	$ 16,027,678

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

Sensitivity of the total OPEB liability to changes in the discount rate. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) follows:

Plan's Total OPEB Liability		
Discount Rate - 1% Rate (3.09%)	Current Discount Rate (4.09%)	Discount Rate + 1% Rate (5.09%)
$ 17,780,565	$ 16,027,678	$ 14,532,653

Note 12 – Other Postemployment Benefits (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend for this valuation started at 6.80% and decreased to 4.14% over 51 years. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.80%) or one percentage point higher (7.80%) than current healthcare cost trend rates follows:

Plan's Total OPEB Liability		
Healthcare Cost Trend Rates (5.8%)	Healthcare Cost Trend Rates (6.8%)	Healthcare Cost Trend Rates (7.8%)
$ 15,097,036	$ 16,027,678	$ 17,121,478

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized OPEB expense of $771,949. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,063,299	$ (782,532)
Changes in assumptions	1,023,266	(3,471,735)
Employer contributions made subsequent to the measurement date	835,226	-
Total	$ 2,921,791	$ (4,254,267)

The $835,226 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2026.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year end Ended June 30	Deferred Outflows/ (Inflows) of Resources
2026	$ (677,096)
2027	(532,637)
2028	(940,554)
2029	12,066
2030	12,066
Thereafter	(41,547)
	$ (2,167,702)

Note 12 – Other Postemployment Benefits (Continued)

Expected Average Remaining Service Lives (EARSL)

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in the OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period follows. Note, however, that for calculation purposes, we use 1 when calculating amortizations if the EARSL is less than 1 year. EARSL is 7.7 years for the measurement period ended June 30, 2024.

Note 13 – Claims Payable

The workers' compensation and general liability claims administrators have estimated liabilities for probable future payments relating to claims outstanding as of June 30, 2025 in the following amounts which are recorded in separate internal service funds:

Worker' compensation claims	$ 8,061,000
General liability claims	2,745,760
Total claims payable	$ 10,806,760

Although the eventual outcome of these claims is uncertain, in the opinion of management, the resolution of these matters is not expected to have a material adverse effect on the financial condition of the City, beyond the provision for losses reflected in the recorded claims payable liabilities.

Changes in claims payable for workers' compensation for the past three fiscal years are as follows:

Workers' Compensation	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability	Amounts Due within One Year	Amounts Due in more than One Year
2022-2023	$ 6,669,000	$ 481,389	$ (787,389)	$ 6,363,000	$ 965,000	$ 5,398,000
2023-2024	6,363,000	2,427,085	(1,082,085)	7,708,000	1,254,000	6,454,000
2024-2025	7,708,000	1,409,161	(1,056,161)	8,061,000	1,341,000	6,720,000

Changes in claims payable for general liability for the past three fiscal years are as follows:

General Liability	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability	Amounts Due within One Year	Amounts Due in more than One Year
2022-2023	$ 2,022,284	$ 384,127	$ (122,491)	$ 2,283,920	$ 717,152	$ 1,566,768
2023-2024	2,283,920	582,441	(131,081)	2,735,280	858,879	1,876,401
2024-2025	2,735,280	233,456	(222,976)	2,745,760	862,169	1,883,591

Note 13 – Claims Payable (Continued)

Bodily injury, property damage and public officials' errors and omissions insurance is provided via participation in a joint power's authority. Effective July 1, 2015, the City is a member of the Municipal Pooling Authority (MPA), a joint powers authority established pursuant to California Government Code Sections 990.4-990.8 and 6500, et seq. The pool has 21 member cities. The City is insured by the MPA for up to $29,000,000 per claim for liability coverage, including $28,000,000 provided by an excess policy with the California Affiliated Risk Management Authority, after a deductible of $50,000 which is paid by the City. Premiums paid by the participating members may be retrospectively increased or decreased to reflect the actual operating costs of MPA and the City's share of incurred losses. The City is contingently liable for assessments which may be made by MPA in the event that MPA has insufficient resources to pay unexpectedly large claims.

The City is self-insured for the first $500,000 of each workers' compensation claim. The City belongs to the Local Agency Workers' Compensation Excess (LAWCX) joint powers authority, established pursuant to California Government Code Sections 990.4-990.8 and 6500 et seq., for the purpose of workers' compensation excess coverage. LAWCX coverage is for individual workers' compensation claims in excess of $500,000 up to $5,000,000. In addition, additional excess coverage beyond $5,000,000 is purchased via California State Association of Counties Excess Insurance Authority (CSAC EIA) bringing statutory coverage to $50,000,000.

Note 14 – Commitments and Contingencies

The City had the following commitments outstanding as of June 30, 2025:

Name of Project	Outstanding Amount
FY25 Citywide Pavement Rehabilitation Project	$ 7,127,763
Miscellaneous Capital Projects and Services	869,524
Fleet Replacement and Repairs	574,292
Public Works Contractual Services, Equipment and Supplies	558,711
Joint Sewer Trunk with Morgan Hill Repairs	473,225
Community Development Contractual Services	463,366
Vehicle Miles Traveled and Green House Gas Reduction Program	431,754
Type III Fire Engine	415,673
Water Utility Improvements Design	396,737
McCarthy Well Project Design and Engineering	362,277
IT Contractual Services, Equipment and Supplies	348,325
Civic Center Master Plan Architectural Design	318,647
Other Projects	2,503,521
Total	**$ 14,843,813**

Grant Programs

Under the terms of federal, county, and state grants, periodic audits are required, and certain costs may be questioned as not appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. If expenditures were disallowed, the City believes such disallowances, if any, would be immaterial.

Note 14 – Commitments and Contingencies (Continued)

Litigations

The City is a defendant in certain legal claims and actions arising from the normal course of operations. In the opinion of management and legal counsel, such claims and actions will not have a material adverse effect on the City's financial position.

Gilroy Garlic Festival

On July 28, 2019, the Gilroy Garlic Festival, held at Christmas Hill Park, was the site of an unexpected and random shooting. The gunman killed himself, three others and wounded 17 people. The City of Gilroy is a named party in litigation along with the Gilroy Garlic Festival Association, the organization responsible for organizing the festival. The city issued a special event permit for the festival which was held at a city-owned park and transferred risk to the Association under their insurance policy. Currently, the Gilroy Garlic Festival Association's insurance is covering all legal costs. The City of Gilroy was granted a Motion for Summary Judgment in the Towner et al v. Gilroy Garlic Festival Association, et al. case. However, Towner plaintiffs have appealed. The Salazar and Henderson cases are on hold and will trail the Towner case. To date the arguments have been the same. Until these cases are fully resolved, the City may incur additional financial impacts because of this event. Currently, the extent of those impacts is unknown.

Note 15 – Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2025:

	Governmental Activities	Business-Type Activities	DCU
Capital assets, net of accumulated depreciation and amortization	$ 209,410,781	$ 81,553,429	$ 157,050,148
Unspent bond proceeds	-	7,544,461	-
Less: Accounts payable related to capital assets	-	-	(556,581)
Less: deferred gain on refunding	(416,686)	-	-
Less: outstanding principal on capital related debts	(43,966,722)	(45,600,000)	-
Less: subscription liabilities	(1,327,137)	(13,474)	-
Less: bond premium	(1,691,175)	(5,095,779)	-
Less: retention payable	(45,622)	-	(6,876,006)
Net investment in capital assets	$ 161,963,439	$ 38,388,637	149,617,561
Minority interest share in net investment in capital assets			62,689,758
City share in net investment in capital assets			$ 86,927,803

Note 16 – Classification of Fund Balances

The City classifies fund balances, as shown on the Balance Sheet – Governmental Funds, as follows as of June 30, 2025:

	General Fund	Public Facilities Impact Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaid items	$ 111,832	$ -	$ -	$ 111,832
Permenant funds	-	-	50,000	50,000
Subtotal	111,832	-	50,000	161,832
Restricted:				
Gilroy community libruary capital projects	-	-	5,902,001	5,902,001
PARS	5,669,222	-	-	5,669,222
Public safety	-	-	913,361	913,361
Street maintenance	-	-	10,302,879	10,302,879
CDBG Grant programs	-	-	536,717	536,717
Housing	-	-	5,178,675	5,178,675
Traffic impact	-	-	18,405,858	18,405,858
Storm drains	-	-	2,380,005	2,380,005
Landscaping maintenance	-	-	2,149,322	2,149,322
Debt service	-	-	2,272,355	2,272,355
City poor assistance	-	-	712	712
Glen Loma Fire Station	-	-	3,589,243	3,589,243
Opioid Settlement	-	-	203,715	203,715
BEGIN program	-	-	1,591,383	1,591,383
Subtotal	5,669,222	-	53,426,226	59,095,448
Committed:				
Economic stability reserve	7,229,465	-	-	7,229,465
Subtotal	7,229,465	-	-	7,229,465
Assigned:				
Stormwater Management	-	-	855,570	855,570
Capital projects	-	-	6,184,112	6,184,112
Subtotal	-	-	7,039,682	7,039,682
Unassigned (deficit)	28,001,153	(2,300,953)	(853,452)	24,846,748
Total	$ 41,011,672	$ (2,300,953)	$ 59,662,456	$ 98,373,175

General Fund Balance Policy

The City's general fund reserve policy consists of an unrestricted General Fund Reserve of 20% of general fund expenditures and an Economic Stability Reserve of 10% of general fund expenditures. The Economic Stability Reserve would only be used in extraordinary circumstances, upon satisfaction of one of the following "economic triggers" and with the majority vote of the City Council: (i) state take-away of significant revenue; (ii) large drop in property taxes (decrease in assessed valuations), (iii) major business closures (sales tax and/or utility users' tax impact); (iv) dramatic drop in development from projections; (v) large unexpected drop in sales taxes (or other primary revenues - utility users' tax, franchise fees or transient occupancy tax) due to severe recession or (vi) the economic triggers cause the General Fund Reserve to fall below a predetermined percentage of expenditures (e.g. 20%). In the event the Economic Stability Reserve is used, the City is obligated to replenish the reserve by the end of the next biennial budget to 10% of the general fund expenditures for the given year.

Note 17 – Tax Abatement

GASB Statement No. 77 defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. According to the GASB 77, the substance of these agreements meets the definition of "tax abatements" as the revenues received were not available for general municipal services purposes, but rather used to effectively reduce the net tax liability of certain taxpayers per the conditions of an agreement.

The County of Santa Clara has identified two programs, the Williamson Act and the Mills Act, that would affect taxing entity's share of the 1% ad valorem tax (property tax), including the City of Gilroy. The Williamson Act enables the County to enter into contracts with private landowners for restricting specific parcels of land to agricultural or related open space use. In return, landowners receive property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full market value. The Mills Act, enables the County to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their history properties in exchange for receiving property tax relief. For the fiscal year ended June 30, 2025, Gilroy's share of the abated 1% Ad Valorum Tax is $15,117.

Note 18 – Restatement of Beginning Net Positions and Fund Balances

	June 30, 2024 As Previously Reported	Change to or within the Financial Reporting Entity (a)	Change in Accounting Principle (b)	Restatement (c)	June 30, 2024 As Restated
Government-Wide					
Governmental Activities	$ 203,351,257	$ (24,480,542)	$ (2,009,654)	$ 441,457	$ 177,302,518
Business-Type Activities	188,530,809	24,480,542	(224,963)	-	212,786,388
Total primary government	$ 391,882,066	$ -	$ (2,234,617)	$ 441,457	$ 390,088,906
Governmental Funds:					
Nonmajor Funds	$ 76,200,446	$ (24,480,542)	$ -	$ 441,457	$ 52,161,361
Enterprise Funds:					
Sewer Fund	$ 107,216,668	$ 17,322,623	$ (75,481)	$ -	$ 124,463,810
Water Fund	81,314,141	7,157,919	(149,482)	-	88,322,578
Total Enterprise Funds	$ 188,530,809	$ 24,480,542	$ (224,963)	$ -	$ 212,786,388
Internal Service Funds	$ 16,527,012	$ -	$ (89,331)	$ -	$ 16,437,681
Discrete Component Unit (DCU)	$ 166,801,638	$ -	$ (11,176)	$ -	$ 166,790,462

(a) Change to or within the Financial Reporting Entity

Water and sewer development capital projects fund were previously reported as governmental funds, but changed to be part of water enterprise funds and sewer enterprise funds, respectively.

The Building Equity and Growth in Neighborhoods Special Revenue Funds were previously reported as part of CDBG fund, but changed to be a stand-alone fund in the nonmajor governmental fund.

Note 18 – Restatement of Beginning Net Positions and Fund Balances (Continued)

(b) Implementation of GASB Statement No. 101, Compensated Absences

Effective for the fiscal year ended June 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. This statement establishes accounting and financial reporting standards for compensated absences, including vacation, sick leave, and other paid time off. The implementation of GASB 101 resulted in a change in accounting principle, and prior year amounts have been restated accordingly.

Under GASB 101, a liability must be recognized for leave that is attributable to services already rendered, accumulates and carries forward to future periods, and is more likely than not to be used or paid. This represents a shift from previous guidance, particularly in how likelihood and eligibility are assessed. The effect of the restatement is as shown above.

(c) Restatement

The CalHome Special Revenue Fund beginning fund balance was restated to report $441,457 loan receivables, which was not recorded previously.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2023-24	2022-23	2021-22	2020-21	2019-20
Total pension liability					
Service cost	$ 2,456,253	$ 2,461,943	$ 2,240,104	$ 2,545,114	$ 2,360,748
Interest	9,427,957	8,985,681	8,651,774	8,496,663	8,220,201
Changes of benefit terms	-	161,741	-	-	-
Changes of assumptions	-	-	3,774,056	-	-
Differences between expected and actual experience	2,715,977	982,778	(1,151,738)	(176,531)	670,381
Benefit payments, including refunds of employee contributions	(7,957,586)	(7,544,337)	(7,071,816)	(6,844,176)	(6,415,856)
Net change in total pension liability	6,642,601	5,047,806	6,442,380	4,021,070	4,835,474
Total pension liability - beginning	136,671,753	131,623,947	125,181,567	121,160,497	116,325,023
Total pension liability - ending (a)	$ 143,314,354	$ 136,671,753	$ 131,623,947	$ 125,181,567	$ 121,160,497
Pension fiduciary net position					
Contributions - employer	$ 4,753,498	$ 4,453,771	$ 4,103,355	$ 3,772,061	$ 3,645,000
Contributions - employee	1,155,717	990,195	923,404	914,541	1,076,549
Net investment income	9,049,173	5,668,582	(7,616,929)	18,954,052	4,099,977
Benefit payments, including refunds of employee contributions	(7,957,586)	(7,544,337)	(7,071,816)	(6,844,176)	(6,415,856)
Plan to plan resource movement	-	-	-	-	1,029
Administrative expense	(77,013)	(67,023)	(62,835)	(84,067)	(115,410)
Other Miscellaneous Income/(Expense)[1]	-	-	-	-	-
Net change in plan fiduciary net position	6,923,789	3,501,188	(9,724,821)	16,712,411	2,291,289
Plan fiduciary net position - beginning[2]	94,645,501	91,144,313	100,869,134	84,156,723	81,865,434
Plan fiduciary net position - ending (b)	$ 101,569,290	$ 94,645,501	$ 91,144,313	$ 100,869,134	$ 84,156,723
Plan net pension liability - ending (a) - (b)	$ 41,745,064	$ 42,026,252	$ 40,479,634	$ 24,312,433	$ 37,003,774
Plan fiduciary net position as a percentage of the total pension liability	70.87%	69.25%	69.25%	80.58%	69.46%
Covered payroll[3]	$ 13,191,475	$ 12,876,271	$ 11,194,925	$ 14,371,056	$ 13,093,445
Plan net pension liability as a percentage of covered payroll	316.45%	326.39%	361.59%	169.18%	282.61%

[1]During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.
Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

[2] Includes any beginning of year adjustment.

[3] Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2018-19	2017-18	2016-17	2015-16	2014-15
Total pension liability					
Service cost	$ 2,218,281	$ 2,107,888	$ 2,119,709	$ 1,974,107	$ 1,914,477
Interest	7,888,537	7,397,421	7,057,333	6,992,371	6,720,915
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(870,201)	5,558,063	-	(1,563,145)
Differences between expected and actual experience	3,067,906	1,618,519	(2,724,046)	(878,722)	67,994
Benefit payments, including refunds of employee contributions	(6,003,668)	(5,515,662)	(4,810,256)	(4,335,513)	(4,140,599)
Net change in total pension liability	7,171,056	4,737,965	7,200,803	3,752,243	2,999,642
Total pension liability - beginning	109,153,967	104,416,002	97,215,199	93,462,956	90,463,314
Total pension liability - ending (a)	$ 116,325,023	$ 109,153,967	$ 104,416,002	$ 97,215,199	$ 93,462,956
Pension fiduciary net position					
Contributions - employer	$ 3,254,181	$ 2,796,490	$ 2,535,645	$ 2,448,744	$ 2,236,836
Contributions - employee	992,926	1,003,145	888,342	895,816	894,531
Net investment income	5,226,520	6,275,073	7,621,577	355,337	1,523,463
Benefit payments, including refunds of employee contributions	(6,003,668)	(5,515,662)	(4,810,256)	(4,335,513)	(4,140,599)
Plan to plan resource movement	-	(182)	-	-	-
Administrative expense	(55,985)	(115,667)	(100,535)	(41,912)	(77,393)
Other Miscellaneous Income/(Expense)[1]	182	(219,654)	-	-	-
Net change in plan fiduciary net position	3,414,156	4,223,543	6,134,773	(677,528)	436,838
Plan fiduciary net position - beginning[2]	78,451,278	74,227,735	68,092,962	68,770,490	68,333,652
Plan fiduciary net position - ending (b)	$ 81,865,434	$ 78,451,278	$ 74,227,735	$ 68,092,962	$ 68,770,490
Plan net pension liability - ending (a) - (b)	$ 34,459,589	$ 30,702,689	$ 30,188,267	$ 29,122,237	$ 24,692,466
Plan fiduciary net position as a percentage of the total pension liability	70.38%	71.87%	71.09%	70.04%	73.58%
Covered payroll[3]	$ 12,003,033	$ 11,457,160	$ 10,902,171	$ 11,189,178	$ 10,920,524
Plan net pension liability as a percentage of covered payroll	287.09%	267.98%	276.90%	260.27%	226.11%

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pensions
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous

Fiscal Year End [1]	2024-25	2023-24	2022-23	2021-22	2020-21
Actuarially determined contribution[2]	$ 5,357,547	$ 4,753,498	$ 4,453,771	$ 4,103,555	$ 3,772,061
Contributions in relation to the actuarially determined contribution[2]	(5,357,547)	(4,753,498)	(4,453,771)	(4,103,555)	(3,772,061)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll[3]	$ 13,560,836	$ 13,191,475	$ 12,876,271	$ 11,194,925	$ 14,371,056
Contributions as a percentage of covered payroll[3]	39.51%	36.03%	34.59%	36.66%	26.25%

[1] As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

[2] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[3] Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2025; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	For details, see June 30, 2022 Funding Valuation Report
Asset valuation method	Fair Value of Assets. For details, see June 30, 2022 Funding Valuation Report
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll Growth	2.80%
Investment rate of return	6.80% net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pensions (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous

Fiscal Year End [1]	2019-20	2018-19	2017-18	2016-17	2015-16
Actuarially determined contribution[2]	$ 3,645,000	$ 3,254,181	$ 2,796,490	$ 2,535,645	$ 2,448,744
Contributions in relation to the actuarially determined contribution[2]	(3,645,000)	(3,254,181)	(2,796,490)	(2,535,645)	(2,448,744)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll[3]	$ 13,093,445	$ 12,003,033	$ 11,457,160	$ 10,902,171	$ 11,189,178
Contributions as a percentage of covered payroll[3]	27.84%	27.11%	24.41%	23.26%	21.88%

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City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Plan's Net Pension Liability and Related Ratios
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plans

Measurement period	2023-24	2022-23	2021-22	2020-21	2019-2020
City's Proportion of the Net Pension Liability	0.5380%	0.5340%	0.5476%	0.6729%	0.4967%
City's Proportionate Share of the Net Pension Liability	$ 65,244,976	$ 66,620,102	$ 63,254,536	$ 36,390,895	$ 54,046,734
City's Covered Payroll	15,953,419	14,367,843	13,805,486	13,936,242	14,083,254
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	409%	464%	458%	261%	384%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	70.77%	68.76%	69.00%	80.86%	69.97%

Measurement period	2018-19	2017-18	2016-17	2015-16	2014-15
City's Proportion of the Net Pension Liability	0.5047%	0.5281%	0.5229%	0.5299%	0.5603%
City's Proportionate Share of the Net Pension Liability	$ 51,713,238	$ 50,893,037	$ 51,861,030	$ 45,849,921	$ 38,456,118
City's Covered Payroll	13,479,938	12,879,248	12,700,905	12,637,804	12,055,260
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	384%	395%	408%	363%	319%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	69.91%	69.04%	67.21%	67.88%	71.77%

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pensions
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Fiscal Year End[1]	2024-25	2023-24	2022-23	2021-22	2020-21
Actuarially determined contribution	$ 8,831,986	$ 8,234,337	$ 7,730,256	$ 7,117,603	$ 6,718,586
Contributions in relation to the actuarially determined contribution[2]	(8,831,986)	(8,234,337)	(7,730,256)	(7,117,603)	(6,718,586)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll[3]	$ 16,400,115	$ 15,953,419	$ 14,367,843	$ 13,805,486	$ 13,936,242
Contributions as a percentage of covered payroll[2]	53.85%	51.61%	53.80%	51.56%	48.21%

[1] As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

[2] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[3] Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2025; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	For details, see June 30, 2022 Funding Valuation Report
Asset valuation method	Fair Value of Assets. For details, see June 30, 2022 Funding Valuation Report
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll Growth	2.80%
Investment rate of return	6.80% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pensions (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Fiscal Year End[1]	2019-20	2018-19	2017-18	2016-17	2015-16
Actuarially determined contribution	$ 6,320,861	$ 5,571,528	$ 4,906,333	$ 4,528,260	$ 4,131,687
Contributions in relation to the actuarially determined contribution[2]	(6,320,861)	(5,571,528)	(4,906,333)	(4,528,260)	(4,131,687)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll[3]	$ 14,083,254	$ 13,479,938	$ 12,879,248	$ 12,700,905	$ 12,637,804
Contributions as a percentage of covered payroll[3]	44.88%	41.33%	38.09%	35.65%	32.69%

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

Last Ten Fiscal Years[1]

Other Post Employment Benefit Plan

Measurement period	2023-24	2022-23	2021-22	2020-21
Total OPEB liability				
Service cost	$ 907,244	$ 651,979	$ 973,126	$ 1,252,941
Interest Cost	624,849	608,243	410,441	435,960
Difference between expected vs actual experience	(6,796)	1,436,387	(150,527)	(1,132,716)
Changes of assumptions	(378,243)	(958,427)	(4,245,661)	(724,033)
Benefit payments,	(371,889)	(349,292)	(331,830)	(336,128)
Implicit Rate Subsidy Credit	(427,938)	(205,161)	(183,655)	(223,000)
Net change in total OPEB liability	347,227	1,183,729	(3,528,106)	(726,976)
Total OPEB liability - beginning	15,680,451	14,496,722	18,024,828	18,751,804
Total OPEB liability - ending	$ 16,027,678	$ 15,680,451	$ 14,496,722	$ 18,024,828
Covered employee-payroll [2]	$ 30,800,000	$ 28,200,000	$ 23,600,000	$ 23,388,288
Plan OPEB liability as a percentage of covered payroll	52.04%	55.60%	61.43%	77.07%

Notes to Schedule:

[1] The City adopted GASB 75 for the fiscal year ending June 30, 2018.

[2] There are no plan assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the OPEB plan.

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Total OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years[1]

Other Post Employment Benefit Plan

Measurement period	2019-20	2018-19	2017-18	2016-17
Total OPEB liability				
Service cost	$ 906,127	$ 697,310	$ 723,000	$ 832,000
Interest Cost	533,762	594,793	546,000	463,000
Difference between expected vs actual experience	-	(1,655,290)	-	-
Changes of assumptions	3,218,042	547,789	(625,000)	(1,691,000)
Benefit payments,	(500,729)	(524,000)	(491,000)	(479,000)
Implicit Rate Subsidy Credit	-	-	-	-
Net change in total OPEB liability	4,157,202	(339,398)	153,000	(875,000)
Total OPEB liability - beginning	14,594,602	14,934,000	14,781,000	15,656,000
Total OPEB liability - ending	$ 18,751,804	$ 14,594,602	$ 14,934,000	$ 14,781,000
Covered employee-payroll [2]	$ 28,912,941	$ 29,906,910	$ 27,610,000	$ 26,626,000
Plan OPEB liability as a percentage of covered payroll	64.86%	48.80%	54.09%	55.51%

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City of Gilroy
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2025

Budget and Budgetary Accounting

The City Administrator submits to the City Council a proposed budget for all funds. Council then proceeds to make any changes to the proposed budget it deems necessary. Before adopting the proposed budget, Council holds a public hearing for any interested party desiring to be heard. Notice must be given 10 days prior to the hearing and must be published in the City's official newspaper. After the conclusion of the public hearing, Council may further make revisions to the proposed budget. Thereafter, Council adopts the budget with revisions, if any.

Legally adopted budgets for all governmental funds are established on a basis consistent with accounting principles generally accepted in the United States of America. City Council approval is required for all revisions to the adopted budget that require additional appropriations or new funding. City Administrator approval is required for all transfers within the adopted budget. Operational appropriations lapse at fiscal year-end unless City Council takes formal action to carry forward appropriations into the following fiscal year.

The level on which expenditures may not legally exceed appropriations is the fund level.

City of Gilroy
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property taxes	$ 20,848,125	$ 20,848,125	$ 20,967,513	$ 119,388
Sales tax	22,427,000	21,827,000	20,478,194	(1,348,806)
Transient occupancy tax	2,016,000	2,016,000	1,509,597	(506,403)
Utility taxes	6,731,915	6,731,915	7,014,280	282,365
Franchise taxes	2,374,463	2,459,463	2,354,848	(104,615)
Document transfer tax	455,000	375,000	403,750	28,750
Motor vehicle in lieu tax	64,700	64,700	96,232	31,532
Total taxes	54,917,203	54,322,203	52,824,414	(1,497,789)
Intergovernmental:				
Grants	475,195	1,087,759	1,421,484	333,725
Total intergovernmental				
Charges for Services:				
Administrative charges	4,163,525	4,233,525	4,233,451	(74)
Plan checks and inspections	2,290,199	2,290,199	2,330,943	40,744
Special planning services	730,000	730,000	762,951	32,951
Special police services	25,000	25,000	41,580	16,580
Special fire services	200,000	200,000	236,985	36,985
Community recreation	823,895	823,895	803,893	(20,002)
Total charges for services	8,232,619	8,302,619	8,409,803	107,184
Licenses and Permits:				
Business licenses	739,000	839,000	800,040	(38,960)
Hazardous material permits	270,000	270,000	311,254	41,254
Building permits	2,010,000	2,010,000	1,741,168	(268,832)
Other licenses and permits	60,500	60,500	118,570	58,070
Total licenses and permits	3,079,500	3,179,500	2,971,032	(208,468)
Fines:				
Vehicle fines	72,631	72,631	38,895	(33,736)
Parking fines	20,916	20,916	15,067	(5,849)
Abandoned vehicle	130,000	130,000	115,463	(14,537)
Total fines	223,547	223,547	169,425	(54,122)
Investment income	561,550	961,550	2,074,383	1,112,833
Miscellaneous:				
Police and fire	23,834	23,834	88,517	64,683
Recreation	2,500	2,500	2,473	(27)
Other	853,768	853,768	1,701,715	847,947
Total miscellaneous	880,102	880,102	1,792,705	912,603
TOTAL REVENUES	68,369,716	68,957,280	69,663,246	705,966

(Continued)

City of Gilroy
Required Supplementary Information
Budgetary Comparison Schedule - General Fund (Continued)
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
General Government:				
City council	241,450	241,450	299,423	(57,973)
City administration	3,100,542	3,169,322	2,654,964	514,358
Emergency services	459,655	505,855	468,068	37,787
Finance	1,227,044	1,267,038	1,118,125	148,913
General administration	3,307,929	3,532,521	3,196,305	336,216
City attorney	530,000	530,000	981,405	(451,405)
Human resources	1,794,535	1,826,035	1,709,075	116,960
Total general government	10,661,155	11,072,221	10,427,365	644,856
Public Safety:				
Police administration	6,840,394	7,081,179	7,444,392	(363,213)
Police patrol operations	18,572,644	18,567,092	18,443,289	123,803
Police investigation	2,334,946	2,334,946	2,192,529	142,417
Communications	3,119,069	3,119,069	2,364,241	754,828
Police records	1,366,764	1,366,764	979,328	387,436
Fire administration	2,515,510	2,676,889	2,620,692	56,197
Fire operations	12,113,323	12,139,481	12,720,863	(581,382)
Total public safety	46,862,650	47,285,420	46,765,334	520,086
Recreation services:				
Community recreation	2,202,215	2,203,145	1,828,765	374,380
Total recreation services	2,202,215	2,203,145	1,828,765	374,380
Community development:				
Administration	1,352,597	1,382,807	1,299,024	83,783
Housing and Community Services	385,455	398,927	420,174	(21,247)
Planning	1,460,164	2,292,097	1,504,105	787,992
Buildings	2,022,350	2,024,141	2,012,381	11,760
Chemical containment hazardous materials	457,139	457,139	476,094	(18,955)
Total community development	5,677,705	6,555,111	5,711,778	843,333
Public works:				
Public works administration	12,069	12,069	12,069	-
Street maintenance/forestry	1,482,632	1,515,679	1,411,385	104,294
Environmental	293,708	294,640	312,968	(18,328)
Landscape maintenance	2,891,996	3,206,738	2,804,861	401,877
Engineering	1,234,789	1,426,424	1,200,295	226,129
Total public works	5,915,194	6,455,550	5,741,578	713,972
Capital outlay	2,457,000	3,348,462	1,808,585	1,539,877
Total capital outlay	2,457,000	3,348,462	1,808,585	1,539,877
Debt services				
Principal payment	-	-	11,246	(11,246)
Interest and fiscal charges	-	-	1	(1)
Total debt services	-	-	11,247	(11,247)
TOTAL EXPENDITURES	73,775,919	76,919,909	72,294,652	4,625,257
Excess (deficiency) of revenues over expenditures	(5,406,203)	(7,962,629)	(2,631,406)	5,331,223
OTHER FINANCING SOURCES (USES):				
Issuance of inew subscription	-	-	24,721	24,721
Transfers in	3,638,495	3,627,241	1,186,873	(2,440,368)
Transfers out	(1,693,061)	(2,499,998)	(249,999)	2,249,999
Total other financing sources (uses)	1,945,434	1,127,243	961,595	(165,648)
NET CHANGE IN FUND BALANCE	$ (3,460,769)	$ (6,835,386)	(1,669,811)	$ 5,165,575
FUND BALANCE:				
Beginning of Year			42,681,483	
End of Year			$ 41,011,672	

(Concluded)

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SUPPLEMENTARY INFORMATION

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City of Gilroy
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Public Facilities Impact Capital Projects Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Developer impact fee	$ 10,934,196	$ 10,934,196	$ 1,578,836	$ (9,355,360)
Investment income	63,622	63,622	93,415	29,793
Miscellaneous	-	-	207,265	207,265
Total revenues	10,997,818	10,997,818	1,879,516	(9,118,302)
EXPENDITURES:				
Current:				
Public works	26,762	31,600	78,532	(46,932)
Capital outlay	13,441,107	14,429,665	857,645	13,572,020
Debt service:				
Interest and fiscal charges	-	-	29,179	(29,179)
Total expenditures	13,467,869	14,461,265	965,356	13,495,909
Excess (deficiency) of revenues over expenditures	(2,470,051)	(3,463,447)	914,160	4,377,607
OTHER FINANCIN SOURCES (USES):				
Issuance of debt	12,500,000	12,500,000	-	(12,500,000)
Transfers in	81,526	81,526	81,526	-
Transfers out	(3,758,264)	(3,758,264)	(2,978,011)	780,253
Total other financing sources (uses)	8,823,262	8,823,262	(2,896,485)	(11,719,747)
NET CHANGE IN FUND BALANCE	$ 6,353,211	$ 5,359,815	(1,982,325)	$ (7,342,140)
FUND BALANCE (DEFICIT):				
Beginning of Year			(318,628)	
End of Year			$ (2,300,953)	

City of Gilroy
Combining Balance Sheet
General Fund
June 30, 2025

	General Fund	Sidewalk Repair Reserve	Parking Management	Golf course
ASSETS				
Cash and investments	$ 28,178,689	$ 1,873,501	$ -	$ 55,484
Receivables:				
Accounts	373,326	-	-	6,844
Due from other governments	4,662,091	-	-	-
Interest	1,585,510	-	-	-
leases	5,310,704		-	-
Due from other funds	1,085,359	-	-	-
Prepaid items	86,832	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	5,669,222	-	-	-
Total assets	$ 46,951,733	$ 1,873,501	$ -	$ 62,328
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 979,710	$ -	$ -	$ 4,201
Accrued liabilities	3,664,462	-	-	-
Retention payable	11,631	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	4,655,803	-	-	4,201
Deferred inflows of resources:				
leases related	5,165,512	-	-	-
Unavailable revenues	71,840	-	-	-
Total deferred inflows of resources	5,237,352	-	-	-
Fund balances:				
Nonspendable	86,832	-	-	-
Restricted	5,669,222	-	-	-
Committed	7,039,566	7,291	-	-
Unassigned (deficit)	24,262,958	1,866,210	-	58,127
Total fund balances (deficit)	37,058,578	1,873,501	-	58,127
Total liabilities, deferred inflows of resources, and fund balances	$ 41,714,381	$ 1,873,501	$ -	$ 62,328

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
General Fund
June 30, 2025

	Recreation	Deposit Revolving	Trust Special	Employee Wellness
ASSETS				
Cash and investments	$ 2,269,457	$ 4,614,740	$ 235,872	$ 2,312
Receivables:				
Accounts	-	95,936	-	-
Due from other governments	-	-	-	-
Interest	207	-	-	-
leases	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	25,000	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	$ 2,294,664	$ 4,710,676	$ 235,872	$ 2,312
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 52,010	$ 95,539	$ -	$ -
Accrued liabilities	103,496	146,507	-	-
Retention payable	-	-	-	-
Deposits payable	-	4,237,729	234,706	1,872
Unearned revenue	145,885	204,314	-	-
Total liabilities	301,391	4,684,089	234,706	1,872
Deferred inflows of resources:				
leases related	-	-	-	-
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Nonspendable	25,000	-	-	-
Restricted	-	-	-	-
Committed	182,877	-	-	(269)
Unassigned (deficit)	1,785,397	26,587	1,166	709
Total fund balances (deficit)	1,993,273	26,587	1,166	440
Total liabilities, deferred inflows of resources, and fund balances	$ 2,294,664	$ 4,710,676	$ 235,872	$ 2,312

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
General Fund
June 30, 2025

	Total General Fund
ASSETS	
Cash and investments	$ 37,230,055
Receivables:	
Accounts	476,106
Due from other governments	4,662,091
Interest	1,585,717
leases	5,310,704
Due from other funds	1,085,359
Prepaid items	111,832
Restricted assets:	
Cash and investments with fiscal agents	5,669,222
Total assets	$ 56,131,086
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 1,131,460
Accrued liabilities	3,914,465
Retention payable	11,631
Deposits payable	4,474,307
Unearned revenue	350,199
Total liabilities	9,882,062
Deferred inflows of resources:	
leases related	5,165,512
Unavailable revenues	71,840
Total deferred inflows of resources	5,237,352
Fund balances:	
Nonspendable	111,832
Restricted	5,669,222
Committed	7,229,465
Unassigned (deficit)	28,001,153
Total fund balances (deficit)	41,011,672
Total liabilities, deferred inflows of resources, and fund balances	$ 56,131,086

(Concluded)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
June 30, 2025

	General Fund	Sidewalk Repair Reserve	Parking Management	Golf course
Revenues:				
Taxes	$ 52,824,414	$ -	$ -	$ -
Intergovernmental	1,421,384	-	-	-
Charges for services	7,606,462	-	-	134,362
Licenses and permits	2,971,032	-	-	-
Fines and forfeitures	169,425	-	-	-
Investment income	1,960,880	78,695	-	917
Miscellaneous	1,794,938	-	-	-
Total revenues	68,748,535	78,695	-	135,279
Expenditures:				
Current:				
General government	10,430,055	-	-	-
Public safety	46,765,334	-	-	-
Recreation services	-	-	-	-
Community development	5,711,778	-	-	-
Public works	5,729,509	12,069	-	-
Capital outlay	1,747,741	60,844	-	-
Debt service:				
Principal retirement	11,246	-	-	-
Interest and fiscal charges	1	-	-	-
Total expenditures	70,395,664	72,913	-	-
Excess (deficiency) of revenues over expenditures	(1,647,129)	5,782	-	135,279
Other financing sources (uses):				
Issuance of new subscription	24,721	-	-	-
Transfers in	1,190,333	250,000	241,154	-
Transfers out	(2,241,153)	-	-	-
Total other financing sources (uses)	(1,026,099)	250,000	241,154	-
NET CHANGE IN FUND BALANCES	(2,673,228)	255,782	241,154	135,279
Fund balances (deficit):				
Beginning of year	39,731,806	1,617,719	(241,154)	(77,152)
End of year	$ 37,058,578	$ 1,873,501	$ -	$ 58,127

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
General Fund
June 30, 2025

	Recreation	Deposit Revolving	Trust Special	Employee Wellness
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	100	-	-	-
Charges for services	668,979	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	23,464	-	10,292	135
Miscellaneous	5,806	-	(8,039)	-
Total revenues	698,349	-	2,253	135
Expenditures:				
Current:				
General government	-	-	-	(2,690)
Public safety	-	-	-	-
Recreation services	1,828,765	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,828,765	-	-	(2,690)
Excess (deficiency) of revenues over expenditures	(1,130,416)	-	2,253	2,825
Other financing sources (uses):				
Issuance of new subscription	-	-	-	-
Transfers in	1,500,000	-	-	305
Transfers out	(2,663)	(797)	(305)	-
Total other financing sources (uses)	1,497,337	(797)	(305)	305
NET CHANGE IN FUND BALANCES	366,921	(797)	1,948	3,130
Fund balances (deficit):				
Beginning of year	1,626,352	27,384	(782)	(2,690)
End of year	$ 1,993,273	$ 26,587	$ 1,166	$ 440

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
General Fund
June 30, 2025

	Eliminations (1)	Total General Fund
Revenues:		
Taxes	$ -	$ 52,824,414
Intergovernmental	-	1,421,484
Charges for services	-	8,409,803
Licenses and permits	-	2,971,032
Fines and forfeitures	-	169,425
Investment income	-	2,074,383
Miscellaneous	-	1,792,705
Total revenues	-	69,663,246
Expenditures:		
Current:		
General government	-	10,427,365
Public safety	-	46,765,334
Recreation services	-	1,828,765
Community development	-	5,711,778
Public works	-	5,741,578
Capital outlay	-	1,808,585
Debt service:	-	
Principal retirement	-	11,246
Interest and fiscal charges	-	1
Total expenditures	-	72,294,652
Excess (deficiency) of revenues over expenditures	-	(2,631,406)
Other financing sources (uses):		
Issuance of new subscription	-	24,721
Transfers in	(1,994,919)	1,186,873
Transfers out	1,994,919	(249,999)
Total other financing sources (uses)	-	961,595
NET CHANGE IN FUND BALANCES	-	(1,669,811)
Fund balances (deficit):		
Beginning of year	-	42,681,483
End of year	$ -	$ 41,011,672

(Concluded)

CITY OF
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CALIFORNIA
A community with a spice for life

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

These funds account for revenue sources that are restricted for specific purposes (other than those resources to be expended solely for the construction of major capital facilities).

Gas Tax Fund - This fund is used to account for the City's share of state gasoline tax required to be used for construction and maintenance of the City's road network system.

Pavement Management Fund - This fund is used to account for County Measure A and other transportation grants used to repair and rebuild various roads.

Public Safety Grants Fund - This fund is used to account for state and federal grants used for public safety activities.

Prop 172 Sales Tax Fund - This fund is used to account for funds received from state sales tax used for public safety activities.

Community Development Block Grant Fund - This fund is used to account for Housing and Urban Development grants used to operate the Community Development Grant Program.

Housing Trust Fund - This fund is used to support affordable housing through revenue from below market rate home resales, refinances, downpayment assistance loan repayments, and multi-family rehabilitation loan programs. This fund has funded down payment assistance, rehabilitation of multi-family properties, and a shelter for the chronically homeless. Loans are offered at below-market rates, often with deferral periods, and interest income is reinvested into the fund to sustain ongoing affordable housing

Community Facilities District Fund - This fund is used to account for funds from special landscape assessment districts used to maintain improvements of a public nature that provide benefits to the property owner.

Measure B Fund - This fund is used to account for street and road maintenance and repair projects.

Vehicle License Fee Fund - This fund is used to account for vehicle license fees received from Santa Clara County to be used for pavement maintenance, operations, signals, signs, and markings.

Los Arroyos Fund - This fund is used to account for funds received from South County Housing to support future homebuyers in the Los Arroyos neighborhood.

CalHome Funds - This fund is used to account funds received from South County Housing to support low-income homebuyers.

Opioid Settlement Fund - State led participation in the National Opioid Settlement with Teva, Allergan, CVS, Walgreens, and Walmart. Money can be used for opioid abatement. 85% of the monies received from the settlement will be distributed to cities and counties.

Building Equity and Growth in Neighborhoods Fund - This fund is used to account for Building Equity and Growth in Neighborhoods program grants used to operate the BEGIN Program.

CAPITAL PROJECTS FUNDS

These funds account for resources intended to be used primarily for major capital facilities (other than those financed by revenues of proprietary funds).

Capital Projects Fund - This fund is used to account for major capital projects other than those financed by revenues of proprietary funds, including projects that are partially funded from other sources such as grants or fuel tax.

Traffic Impact Fund - This fund is used to finance the construction of streets, bridges, interchanges, and traffic signals within the City as described in the City of Gilroy's Circulation Element. Improvements and expansions of the City's traffic circulation system are needed to accommodate development of new residential, commercial and industrial uses with the City. The traffic impact fee is used to expand system capacity to accommodate new development.

Storm Drains Fund - This fund is used finance the construction of drainage collection and distribution systems within the City as described in the City of Gilroy's Storm Drain Master Plan. Improvements and expansions of the City's storm drain system are needed to accommodate development of new residential, commercial and industrial uses within the City. The storm drain development fee is used to expand system capacity to accommodate new development.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS (CONTINUED)

Street Trees Development Fund - This fund is used to account for the collection of a front footage fee to plant trees in new developments.

Gilroy Community Library Fund - This fund is used to account for the acquisition, construction and improvement of facilities to be used as a public library within the City. Funding was provided by issuance of general obligation bonds. Interest earned on specific LAIF account will be recorded directly to the Library fund.

Downtown Beautification Fund - The purpose of this fund is to finance the design and construction improvements along Gourmet Alley and Railroad Alley. These improvements are funded by a $3.9M grant from Caltrans' Clean California Local Grant Program. Interest is allocated.

Stormwater Management Fund - established to set aside funds to implement State required trash capture device provisions in the Stormwater system.

DEBT SERVICE FUNDS

These funds account for resources accumulated for the payment of principal and interest (other than that for proprietary fund debt).

2022A Refunding Bond Fund - This fund is used to account for the payments of debt service of principal and interest for the 2022A Lease Revenue Refunding Bonds.

Gilroy Community Library Fund - This fund is used to account for payments of the indebtedness of the refinanced 2019 series A and B General Obligation Bonds for the Gilroy Community Library.

CA Energy Commission Loan Fund - This fund is used to account for the payments of debt service of principal and interest for the loan agreement between the CA Energy Commission (CEC) and the City for the Wide LED streetlight replacement project.

Lease Revenue Bonds Series 2020A Fund - This fund is used to account for the payments of debt service of principal and interest for the PFFA Lease Revenue 2020A Bonds.

PERMANENT FUNDS

Henry Miller Fund - This fund is used to account for a donation from Henry Miller. The annual interest earned on the original donation of $15,000 is the amount donated to the poor of Gilroy each Christmas season.

Museum Trust Fund - This fund was established by the sale of a vase by the Gilroy Museum. The purpose in selling the vase was to create an endowment for the museum. This would generate interest income for the museum.

City of Gilroy
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Gas Tax	Pavement Management	Public Safety Grants	Prop 172 Sales Tax
ASSETS				
Cash and investments	$ 5,389,290	$ 253,519	$ 908,107	$ 32,474
Receivables:				
Accounts	-	734	535,750	-
Due from other governments	284,742	-	128,713	85,135
Interest	-	-	-	-
Loans	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	$ 5,674,032	$ 254,253	$ 1,572,570	$ 117,609
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 302,824	$ 27,567	$ 361,237	$ 11,667
Accrued liabilities	27,444	-	21,496	-
Retention payable	-	5,604	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	204,579	-
Total liabilities	330,268	33,171	587,312	11,667
Deferred inflows of resources:				
Unavailable revenues	-	-	177,839	-
Total deferred inflows of resources	-	-	177,839	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	5,343,764	221,082	807,419	105,942
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	5,343,764	221,082	807,419	105,942
Total liabilities, deferred inflows of resources, and fund balances	$ 5,674,032	$ 254,253	$ 1,394,731	$ 117,609

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Community Development Block Grant	Housing Trust Fund	Community Facilities District	Measure B
ASSETS				
Cash and investments	$ -	$ 578,902	$ 2,093,606	$ 2,472,568
Receivables:				
Accounts	-	1,379	-	-
Due from other governments	89,640	-	2,879	-
Interest	-	-	-	-
Loans	574,992	1,180,640	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	1,250,221	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	$ 664,632	$ 3,011,142	$ 2,096,485	$ 2,472,568
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 81,127	$ 54,352	$ 134,189	$ -
Accrued liabilities	-	-	-	-
Retention payable	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	46,788	-	-	-
Total liabilities	127,915	54,352	134,189	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	536,717	2,956,790	1,962,296	2,472,568
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	536,717	2,956,790	1,962,296	2,472,568
Total liabilities, deferred inflows of resources, and fund balances	$ 664,632	$ 3,011,142	$ 2,096,485	$ 2,472,568

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Vehicle License Fee	Los Arroyos Fund	CalHome Funds	Opioid Settlement Fund
ASSETS				
Cash and investments	$ 2,267,056	$ 1,240,735	$ 539,693	$ 185,283
Receivables:				
Accounts	-	-	-	18,432
Due from other governments	-	-	-	-
Interest	-	-	192,169	-
Loans	-	-	249,288	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	$ 2,267,056	$ 1,240,735	$ 981,150	$ 203,715
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,591	$ -	$ -	$ -
Accrued liabilities	-	-	-	-
Retention payable	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	1,591	-	-	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	2,265,465	1,240,735	981,150	203,715
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	2,265,465	1,240,735	981,150	203,715
Total liabilities, deferred inflows of resources, and fund balances	$ 2,267,056	$ 1,240,735	$ 981,150	$ 203,715

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds	Capital Projects Funds		
	BEGIN	Capital Projects	Traffic Impact	Storm Drains
ASSETS				
Cash and investments	$ 556,088	$ 10,138,730	$ 18,495,713	$ 1,745,645
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Interest	9,635	-	-	-
Loans	1,025,660	-	-	-
Advances to other funds	-	-	-	635,161
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	$ 1,591,383	$ 10,138,730	$ 18,495,713	$ 2,380,806
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 15,375	$ 89,855	$ 801
Accrued liabilities	-	-	-	-
Retention payable	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	350,000	-	-
Due to other funds	-	-	-	-
Total liabilities	-	365,375	89,855	801
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	1,591,383	3,589,243	18,405,858	2,380,005
Assigned	-	6,184,112	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	1,591,383	9,773,355	18,405,858	2,380,005
Total liabilities, deferred inflows of resources, and fund balances	$ 1,591,383	$ 10,138,730	$ 18,495,713	$ 2,380,806

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Capital Projects Funds			
	Street Trees Development	Gilroy Community Library	Downtown Beautification	Stormwater Management
ASSETS				
Cash and investments	$ 187,026	$ 5,839,180	$ -	$ 855,570
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	-	856,062	-
Interest	-	63,567	-	-
Loans	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	$ 187,026	$ 5,902,747	$ 856,062	$ 855,570
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 746	$ -	$ -
Accrued liabilities	-	-	-	-
Retention payable	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	828,971	-
Total liabilities	-	746	828,971	-
Deferred inflows of resources:				
Unavailable revenues	-	-	856,062	-
Total deferred inflows of resources	-	-	856,062	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	187,026	5,902,001	-	-
Assigned	-	-	-	855,570
Unassigned (deficit)	-	-	(828,971)	-
Total fund balances (deficit)	187,026	5,902,001	(828,971)	855,570
Total liabilities, deferred inflows of resources, and fund balances	$ 187,026	$ 5,902,747	$ 856,062	$ 855,570

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Debt Service Funds			
	2022A Refunding Bond	Gilroy Community Library	CA Energy Commission Loan	Lease Revenue Bond Series 2020A
ASSETS				
Cash and investments	$ 190,900	$ 1,335,452	$ 23,571	$ 716,311
Receivables:				
Accounts	-	6,791	-	-
Due from other governments	-	-	-	-
Interest	-	-	-	-
Loans	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	1,297	-	-	227
Total assets	$ 192,197	$ 1,342,243	$ 23,571	$ 716,538
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 2,194	$ -	$ -
Accrued liabilities	-	-	-	-
Retention payable	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	2,194	-	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	192,197	1,340,049	23,571	716,538
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	192,197	1,340,049	23,571	716,538
Total liabilities, deferred inflows of resources, and fund balances	$ 192,197	$ 1,342,243	$ 23,571	$ 716,538

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Permanent Funds		
	Henry Miller	Museum Trust	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	$ 15,712	$ 45,818	$ 56,106,949
Receivables:			
Accounts	-	-	563,086
Due from other governments	-	-	1,447,171
Interest	-	-	265,371
Loans	-	-	3,030,580
Advances to other funds	-	-	635,161
Land held for resale	-	-	1,250,221
Restricted assets:			
Cash and investments with fiscal agents	-	-	1,524
Total assets	$ 15,712	$ 45,818	$ 63,300,063
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ 1,083,525
Accrued liabilities	-	-	48,940
Retention payable	-	-	5,604
Deposits payable	-	35,299	35,299
Unearned revenue	-	-	350,000
Due to other funds	-	-	1,080,338
Total liabilities	-	35,299	2,603,706
Deferred inflows of resources:			
Unavailable revenues	-	-	1,033,901
Total deferred inflows of resources	-	-	1,033,901
Fund balances:			
Nonspendable	15,000	35,000	50,000
Restricted	712	-	53,426,226
Assigned	-	-	7,039,682
Unassigned (deficit)	-	(24,481)	(853,452)
Total fund balances (deficit)	15,712	10,519	59,662,456
Total liabilities, deferred inflows of resources, and fund balances	$ 15,712	$ 45,818	$ 63,300,063

(Concluded)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Gas Tax	Pavement Management	Public Safety Grants	Prop 172 Sales Tax
Revenues:				
Taxes	$ -	$ -	$ -	$ 330,632
Intergovernmental	3,360,729	248,325	969,144	-
Developer impact fees	-	-	-	-
Investment income	208,526	9,599	50,975	259
Miscellaneous	-	-	11,824	-
Total revenues	3,569,255	257,924	1,031,943	330,891
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	1,072,816	404,223
Recreation services	-	-	-	-
Community development	-	-	-	-
Public works	1,109,529	1,539	-	-
Capital outlay	460,122	267,567	19,822	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,569,651	269,106	1,092,638	404,223
Excess (deficiency) of revenues over expenditures	1,999,604	(11,182)	(60,695)	(73,332)
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(99,863)	(2,721)	(100,000)	-
Total other financing sources (uses)	(99,863)	(2,721)	(100,000)	-
Net change in fund balances	1,899,741	(13,903)	(160,695)	(73,332)
Fund balances (deficit):				
Beginning of year, as previously reported	3,444,023	234,985	968,114	179,274
Change with financial reporting entity (governmental and enterprise funds classification)	-	-	-	-
Restatement (Note 18)	-	-	-	-
Beginning of year, as restated (Note 18)	3,444,023	234,985	968,114	179,274
End of year	$ 5,343,764	$ 221,082	$ 807,419	$ 105,942

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Community Development Block Grant	Housing Trust Fund	Community Facilities District	Measure B
Revenues:				
Taxes	$ -	$ -	$ 550,893	$ -
Intergovernmental	488,800	-	-	312,767
Developer impact fees	-	-	-	-
Investment income	-	53,480	84,329	113,911
Miscellaneous	-	19,729	-	-
Total revenues	488,800	73,209	635,222	426,678
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Recreation services	-	-	-	-
Community development	312,278	254,968	-	-
Public works	-	-	544,929	208,482
Capital outlay	172,003	-	-	117,065
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	484,281	254,968	544,929	325,547
Excess (deficiency) of revenues over expenditures	4,519	(181,759)	90,293	101,131
Other financing sources (uses):				
Issuance of debt	-	520,354	-	-
Transfers in	-	-	-	-
Transfers out	(58,049)	(562,853)	-	-
Total other financing sources (uses)	(58,049)	(42,499)	-	-
Net change in fund balances	(53,530)	(224,258)	90,293	101,131
Fund balances (deficit):				
Beginning of year, as previously reported	2,095,343	3,181,048	1,872,003	2,371,437
Change with financial reporting entity (governmental and enterprise funds classification)	(1,505,096)	-	-	-
Restatement (Note 18)	-	-	-	-
Beginning of year, as restated (Note 18)	590,247	3,181,048	1,872,003	2,371,437
End of year	$ 536,717	$ 2,956,790	$ 1,962,296	$ 2,472,568

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Vehicle License Fee	Los Arroyos Fund	CalHome Funds	Opioid Settlement Fund
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	402,669	143,000	-	-
Developer impact fees	-	-	-	-
Investment income	90,305	43,435	19,397	7,640
Miscellaneous	-	-	-	129,696
Total revenues	492,974	186,435	19,397	137,336
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Recreation services	-	-	-	-
Community development	-	86,400	-	-
Public works	3,325	-	-	-
Capital outlay	79,178	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	82,503	86,400	-	-
Excess (deficiency) of revenues over expenditures	410,471	100,035	19,397	137,336
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	-	276,213	488,103	-
Transfers out	-	(5,679)	(388,615)	-
Total other financing sources (uses)	-	270,534	99,488	-
Net change in fund balances	410,471	370,569	118,885	137,336
Fund balances (deficit):				
Beginning of year, as previously reported	1,854,994	870,166	420,808	66,379
Change with financial reporting entity (governmental and enterprise funds classification)	-	-	-	-
Restatement (Note 18)	-	-	441,457	-
Beginning of year, as restated (Note 18)	1,854,994	870,166	862,265	66,379
End of year	$ 2,265,465	$ 1,240,735	$ 981,150	$ 203,715

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds	Capital Projects Funds		
	BEGIN	Capital Projects	Traffic Impact	Storm Drains
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	133,384	-	-
Developer impact fees	-	-	1,988,918	31,196
Investment income	21,655	467,090	849,406	74,401
Miscellaneous	-	2,542,906	-	-
Total revenues	21,655	3,143,380	2,838,324	105,597
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Recreation services	-	-	-	-
Community development	-	-	-	-
Public works	-	257	127,689	2,587
Capital outlay	-	185,703	884,089	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	185,960	1,011,778	2,587
Excess (deficiency) of revenues over expenditures	21,655	2,957,420	1,826,546	103,010
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	121,250	1,046,337	97,538	12,268
Transfers out	(56,618)	-	(1,046,337)	-
Total other financing sources (uses)	64,632	1,046,337	(948,799)	12,268
Net change in fund balances	86,287	4,003,757	877,747	115,278
Fund balances (deficit):				
Beginning of year, as previously reported	-	5,769,598	17,528,111	2,264,727
Change with financial reporting entity (governmental and enterprise funds classification)	1,505,096	-	-	-
Restatement (Note 18)	-	-	-	-
Beginning of year, as restated (Note 18)	1,505,096	5,769,598	17,528,111	2,264,727
End of year	$ 1,591,383	$ 9,773,355	$ 18,405,858	$ 2,380,005

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Capital Projects Funds			
	Street Trees Development	Gilroy Community Library	Downtown Beautification	Stormwater Management
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	2,233,813	-
Developer impact fees	-	-	-	-
Investment income	8,245	286,643	-	37,698
Miscellaneous	-	-	-	-
Total revenues	8,245	286,643	2,233,813	37,698
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Recreation services	-	-	-	-
Community development	-	-	-	-
Public works	248	390	-	-
Capital outlay	-	-	2,668,467	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	248	390	2,668,467	-
Excess (deficiency) of revenues over expenditures	7,997	286,253	(434,654)	37,698
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	55	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	55	-	-	-
Net change in fund balances	8,052	286,253	(434,654)	37,698
Fund balances (deficit):				
Beginning of year, as previously reported	178,974	5,615,748	(394,317)	817,872
Change with financial reporting entity (governmental and enterprise funds classification)	-	-	-	-
Restatement (Note 18)	-	-	-	-
Beginning of year, as restated (Note 18)	178,974	5,615,748	(394,317)	817,872
End of year	$ 187,026	$ 5,902,001	$ (828,971)	$ 855,570

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Debt Service Funds			
	2022A Refunding Bond	Gilroy Community Library	CA Energy Commission Loan	Lease Revenue Bond Series 2020A
Revenues:				
Taxes	$ -	$ 1,699,940	$ -	$ -
Intergovernmental	-	-	-	-
Developer impact fees	-	-	-	-
Investment income	6,472	41,917	1,984	24,122
Miscellaneous	-	-	-	-
Total revenues	6,472	1,741,857	1,984	24,122
Expenditures:				
Current:				
General government	4,702	9,884	-	3,419
Public safety	-	-	-	-
Recreation services	-	-	-	-
Community development	-	-	-	-
Public works	-	-	512	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	1,140,757	1,124,634	95,188	840,000
Interest and fiscal charges	474,128	711,969	4,674	513,250
Total expenditures	1,619,587	1,846,487	100,374	1,356,669
Excess (deficiency) of revenues over expenditures	(1,613,115)	(104,630)	(98,390)	(1,332,547)
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	1,614,885	-	99,863	1,353,250
Transfers out	-	-	-	-
Total other financing sources (uses)	1,614,885	-	99,863	1,353,250
Net change in fund balances	1,770	(104,630)	1,473	20,703
Fund balances (deficit):				
Beginning of year, as previously reported	190,427	1,444,679	22,098	695,835
Change with financial reporting entity (governmental and enterprise funds classification)	-	-	-	-
Restatement (Note 18)	-	-	-	-
Beginning of year, as restated (Note 18)	190,427	1,444,679	22,098	695,835
End of year	$ 192,197	$ 1,340,049	$ 23,571	$ 716,538

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Permanent Funds		Formely Capital Projects Funds	
	Henry Miller	Museum Trust	Sewer Development	Water Development
Revenues:				
Taxes	$ -	$ -		
Intergovernmental	-	-		
Developer impact fees	-	-		
Investment income	712	2,104		
Miscellaneous	-	-		
Total revenues	712	2,104		
Expenditures:				
Current:				
General government	1,039	-		
Public safety	-	-		
Recreation services	-	3,124		
Community development	-	-		
Public works	-	-		
Capital outlay	-	-		
Debt service:				
Principal retirement	-	-		
Interest and fiscal charges	-	-		
Total expenditures	1,039	3,124		
Excess (deficiency) of revenues over expenditures	(327)	(1,020)		
Other financing sources (uses):				
Issuance of debt	-	-		
Transfers in	-	-		
Transfers out	-	-		
Total other financing sources (uses)	-	-		
Net change in fund balances	(327)	(1,020)		
Fund balances (deficit):				
Beginning of year, as previously reported	16,039	11,539	17,322,623	7,157,919
Change with financial reporting entity (governmental and enterprise funds classification)	-	-	(17,322,623)	(7,157,919)
Restatement (Note 18)	-	-	-	-
Beginning of year, as restated (Note 18)	16,039	11,539	-	-
End of year	$ 15,712	$ 10,519	$ -	$ -

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Total Nonmajor Governmental Funds
Revenues:	
Taxes	$ 2,581,465
Intergovernmental	8,292,631
Developer impact fees	2,020,114
Investment income	2,504,305
Miscellaneous	2,704,155
Total revenues	18,102,670
Expenditures:	
Current:	
General government	19,044
Public safety	1,477,039
Recreation services	3,124
Community development	653,646
Public works	1,999,487
Capital outlay	4,854,016
Debt service:	
Principal retirement	3,200,579
Interest and fiscal charges	1,704,021
Total expenditures	13,910,956
Excess (deficiency) of revenues over expenditures	4,191,714
Other financing sources (uses):	
Issuance of debt	520,354
Transfers in	5,109,762
Transfers out	(2,320,735)
Total other financing sources (uses)	3,309,381
Net change in fund balances	7,501,095
Fund balances (deficit):	
Beginning of year, as previously reported	76,200,446
Change with financial reporting entity (governmental and enterprise funds classification)	(24,480,542)
Restatement (Note 18)	441,457
Beginning of year, as restated (Note 18)	52,161,361
End of year	$ 59,662,456

(Concluded)

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 3,400,737	$ 3,225,167	$ 3,360,729	$ 135,562
Investment income	122,590	122,590	208,526	85,936
Total revenues	3,523,327	3,347,757	3,569,255	221,498
Expenditures:				
Current:				
Public works	820,216	930,640	1,109,529	(178,889)
Capital outlay	2,718,647	4,914,387	460,122	4,454,265
Total expenditures	3,538,863	5,845,027	1,569,651	4,275,376
Excess (deficiency) of revenues over expenditures	(15,536)	(2,497,270)	1,999,604	4,496,874
Other Financing (Uses):				
Transfers out	(99,863)	(99,863)	(99,863)	-
Total other financing (uses)	(99,863)	(99,863)	(99,863)	-
NET CHANGE IN FUND BALANCE	$ (115,399)	$ (2,597,133)	1,899,741	$ 4,496,874
FUND BALANCE:				
Beginning of year			3,444,023	
End of year			$ 5,343,764	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Pavement Management Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 1,451,253	$ 1,633,853	$ 248,325	$ (1,385,528)
Investment income	3,647	3,647	9,599	5,952
Total revenues	1,454,900	1,637,500	257,924	(1,379,576)
Expenditures:				
Current:				
Public works	1,538	1,538	1,539	(1)
Capital outlay	1,399,153	1,740,000	267,567	1,472,433
Total expenditures	1,400,691	1,741,538	269,106	1,472,432
Excess (deficiency) of revenues over expenditures	54,209	(104,038)	(11,182)	92,856
Other Financing (Uses):				
Transfers out	-	-	(2,721)	(2,721)
Total Other Financing (Uses)	-	-	(2,721)	(2,721)
NET CHANGE IN FUND BALANCE	$ 54,209	$ (104,038)	(13,903)	$ 90,135
FUND BALANCE:				
Beginning of year			234,985	
End of year			$ 221,082	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Safety Grants Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 957,512	$ 1,745,142	$ 969,144	$ (775,998)
Investment income	5,731	5,731	50,975	45,244
Miscellaneous	-	-	11,824	11,824
Total revenues	963,243	1,750,873	1,031,943	(718,930)
Expenditures:				
Current:				
Public safety	857,212	1,815,347	1,072,816	742,531
Capital outlay	-	33,629	19,822	13,807
Total expenditures	857,212	1,848,976	1,092,638	756,338
Excess (deficiency) of revenues over expenditures	106,031	(98,103)	(60,695)	37,408
Other Financing (Uses):				
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing (uses)	(100,000)	(100,000)	(100,000)	-
NET CHANGE IN FUND BALANCE	$ 6,031	$ (198,103)	(160,695)	$ 37,408
FUND BALANCE:				
Beginning of year			968,114	
End of year			$ 807,419	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Prop 172 Sales Tax Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 372,700	$ 372,700	$ 330,632	$ (42,068)
Investment income	1,171	1,171	259	(912)
Total revenues	373,871	373,871	330,891	(42,980)
Expenditures:				
Current:				
Public safety	372,700	404,300	404,223	77
Total expenditures	372,700	404,300	404,223	77
NET CHANGE IN FUND BALANCE	$ 1,171	$ (30,429)	(73,332)	$ (42,903)
FUND BALANCE:				
Beginning of year			179,274	
End of year			$ 105,942	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 368,000	$ 496,246	$ 488,800	$ (7,446)
Total revenues	368,000	496,246	488,800	(7,446)
Expenditures:				
Current:				
Community development	211,952	307,870	312,278	(4,408)
Capital outlay	99,500	179,943	172,003	7,940
Total expenditures	311,452	487,813	484,281	3,532
Excess (deficiency) of revenues over expenditures	56,548	8,433	4,519	(3,914)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(56,999)	(8,433)	(58,049)	(49,616)
Total other financing sources (uses)	(56,999)	(8,433)	(58,049)	(49,616)
NET CHANGE IN FUND BALANCE	$ (451)	$ (0)	(53,530)	$ (53,530)
FUND BALANCE:				
Beginning of year, as previously reported			2,095,343	
Change with financial reporting entity (governmental and enterprise funds classification)			(1,505,096)	
Beginning of year, as restated (Note 18)			590,247	
End of year			$ 536,717	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Trust Fund Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 24,334	$ 24,334	$ 53,480	$ 29,146
Miscellaneous	271,000	271,000	19,729	(251,271)
Total revenues	295,334	295,334	73,209	(222,125)
Expenditures:				
Current:				
Community development	100,180	300,294	254,968	45,326
Total expenditures	100,180	300,294	254,968	45,326
Excess (deficiency) of revenues over expenditures	195,154	(4,960)	(181,759)	(176,799)
Other financing sources (uses):				
Issuance of debt	-	-	520,354	520,354
Transfers out	(177,815)	(177,815)	(562,853)	(385,038)
Total other financing sources (uses)	(177,815)	(177,815)	(42,499)	135,316
NET CHANGE IN FUND BALANCE	$ 17,339	$ (182,775)	(224,258)	$ (41,483)
FUND BALANCE:				
Beginning of year			3,181,048	
End of year			$ 2,956,790	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Facilities District Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 550,000	$ 550,000	$ 550,893	$ 893
Investment income	24,521	24,521	84,329	59,808
Total revenues	574,521	574,521	635,222	60,701
Expenditures:				
Current:				
Public works	486,015	679,885	544,929	134,956
Capital outlay	-	65,000	-	65,000
Total expenditures	486,015	744,885	544,929	199,956
NET CHANGE IN FUND BALANCE	$ 88,506	$ (170,364)	90,293	$ 260,657
FUND BALANCE:				
Beginning of year			1,872,003	
End of year			$ 1,962,296	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure B Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 4,500,000	$ 4,500,000	$ 312,767	$ (4,187,233)
Investment income	30,816	30,816	113,911	83,095
Total revenues	4,530,816	4,530,816	426,678	(4,104,138)
Expenditures:				
Current:				
Public works	488	208,482	208,482	-
Capital outlay	4,500,000	6,723,474	117,065	6,606,409
Total expenditures	4,500,488	6,931,956	325,547	6,606,409
NET CHANGE IN FUND BALANCE	$ 30,328	$ (2,401,140)	101,131	$ 2,502,271
FUND BALANCE:				
Beginning of year			2,371,437	
End of year			$ 2,472,568	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Vehicle License Fee Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 413,692	$ 413,692	$ 402,669	$ (11,023)
Investment income	20,195	20,195	90,305	70,110
Total revenues	433,887	433,887	492,974	59,087
Expenditures:				
Current:				
Public works	26,734	26,734	3,325	23,409
Capital outlay	240,500	924,996	79,178	845,818
Total expenditures	267,234	951,730	82,503	869,227
NET CHANGE IN FUND BALANCE	$ 166,653	$ (517,843)	410,471	$ 928,314
FUND BALANCE:				
Beginning of year			1,854,994	
End of year			$ 2,265,465	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Los Arroyos Fund Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 143,000	$ 143,000
Investment income	9,204	9,204	43,435	34,231
Total revenues	9,204	9,204	186,435	177,231
Expenditures:				
Current:				
Community development	86,400	86,400	86,400	-
Total expenditures	86,400	86,400	86,400	-
Excess (deficiency) of revenues over expenditures	(77,196)	(77,196)	100,035	177,231
Other financing sources (uses):				
Transfers in	-	-	276,213	276,213
Transfers out	-	-	(5,679)	(5,679)
Total other financing sources (uses)	-	-	270,534	270,534
NET CHANGE IN FUND BALANCE	$ (77,196)	$ (77,196)	370,569	$ 447,765
FUND BALANCE:				
Beginning of year			870,166	
End of year			$ 1,240,735	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CalHome Funds Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 5,779	$ 5,779	$ 19,397	$ 13,618
Total revenues	5,779	5,779	19,397	13,618
Excess (deficiency) of revenues over expenditures	5,779	5,779	19,397	13,618
Other financing sources (uses):				
Transfers in	-	-	488,103	488,103
Transfers out	-	-	(388,615)	(388,615)
Total other financing sources (uses)	-	-	99,488	99,488
NET CHANGE IN FUND BALANCE	$ 5,779	$ 5,779	118,885	$ 113,106
FUND BALANCE:				
Beginning of year, as previously reported			420,808	
Restatement (Note 18)			441,457	
Beginning of year, as restated (Note 18)			862,265	
End of year			$ 981,150	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Opioid Settlement Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 270	$ 270	$ 7,640	$ 7,370
Miscellaneous	-	-	129,696	129,696
Total revenues	270	270	137,336	137,066
NET CHANGE IN FUND BALANCE	$ 270	$ 270	137,336	$ 137,066
FUND BALANCE:				
Beginning of year			66,379	
End of year			$ 203,715	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Building Equity and Growth in Neighborhoods Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 7,005	$ 7,005	$ 21,655	$ 14,650
Total revenues	7,005	7,005	21,655	14,650
Excess (deficiency) of revenues over expenditures	7,005	7,005	21,655	14,650
Other financing sources (uses):				
Transfers in	-	-	121,250	121,250
Transfers out	-	-	(56,618)	(56,618)
Total other financing sources (uses)	-	-	64,632	64,632
NET CHANGE IN FUND BALANCE	$ 7,005	$ 7,005	86,287	$ 79,282
FUND BALANCE:				
Beginning of year, as previously reported			-	
Change with financial reporting entity (governmental and enterprise funds classification)			1,505,096	
Beginning of year, as restated (Note 18)			1,505,096	
End of year			$ 1,591,383	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 2,621,471	$ 3,753,992	$ 133,384	$ (3,620,608)
Investment income	41,033	41,033	467,090	426,057
Miscellaneous	-	6,153,663	2,542,906	(3,610,757)
Total revenues	2,662,504	9,948,688	3,143,380	(6,805,308)
Expenditures:				
Current:				
Public works	257	257	257	-
Capital outlay	2,673,571	3,823,592	185,703	3,637,889
Total expenditures	2,673,828	3,823,849	185,960	3,637,889
Excess (deficiency) of revenues over expenditures	(11,324)	6,124,839	2,957,420	(3,167,419)
Other financing Sources:				
Transfers in	-	1,046,337	1,046,337	-
Total other financing sources	-	1,046,337	1,046,337	-
NET CHANGE IN FUND BALANCE	$ (11,324)	$ 7,171,176	4,003,757	$ (3,167,419)
FUND BALANCE:				
Beginning of year			5,769,598	
End of year			$ 9,773,355	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Traffic Impact Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Developer impact fees	$ 9,221,157	$ 9,221,157	$ 1,988,918	$ (7,232,239)
Investment income	304,498	304,498	849,406	544,908
Total revenues	9,525,655	9,525,655	2,838,324	(6,687,331)
Expenditures:				
Current:				
Public works	18,848	299,941	127,689	172,252
Capital outlay	8,660,209	9,061,456	884,089	8,177,367
Total expenditures	8,679,057	9,361,397	1,011,778	8,349,619
Excess (deficiency) of revenues over expenditures	846,598	164,258	1,826,546	1,662,288
Other financing sources (uses):				
Transfers in	97,538	97,538	97,538	-
Transfers out	-	(1,046,337)	(1,046,337)	-
Total other financing sources (uses)	97,538	(948,799)	(948,799)	-
NET CHANGE IN FUND BALANCE	$ 944,136	$ (784,541)	877,747	$ 1,662,288
FUND BALANCE:				
Beginning of year			17,528,111	
End of year			$ 18,405,858	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Storm Drains Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Developer impact fees	$ 259,878	$ 259,878	$ 31,196	$ (228,682)
Investment income	20,065	20,065	74,401	54,336
Total revenues	279,943	279,943	105,597	(174,346)
Expenditures:				
Current:				
Public works	6,810	10,035	2,587	7,448
Capital outlay	230,811	460,197	-	460,197
Total expenditures	237,621	470,232	2,587	467,645
Excess (deficiency) of revenues over expenditures	42,322	(190,289)	103,010	293,299
Other financing sources:				
Transfers in	93,668	93,668	12,268	(81,400)
Total other financing sources	93,668	93,668	12,268	(81,400)
NET CHANGE IN FUND BALANCE	$ 135,990	$ (96,621)	115,278	$ 211,899
FUND BALANCE:				
Beginning of year			2,264,727	
End of year			$ 2,380,005	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Trees Development Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Developer impact fees	$ 2,000	$ 2,000	$ -	$ (2,000)
Investment income	2,275	2,275	8,245	5,970
Total revenues	4,275	4,275	8,245	3,970
Expenditures:				
Current:				
Public works	2,248	2,248	248	2,000
Total expenditures	2,248	2,248	248	2,000
Excess (deficiency) of revenues over expenditures	2,027	2,027	7,997	5,970
Other financing sources:				
Transfers in	54	54	55	1
Total other financing sources	54	54	55	1
NET CHANGE IN FUND BALANCE	$ 2,081	$ 2,081	8,052	$ 5,971
FUND BALANCE:				
Beginning of year			178,974	
End of year			$ 187,026	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gilroy Community Library Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 100,000	$ 100,000	$ 286,643	$ 186,643
Total revenues	100,000	100,000	286,643	186,643
Expenditures:				
Current:				
Public work	-	-	390	(390)
Capital outlay	-	800,000	-	800,000
Total expenditures	-	800,000	390	799,610
NET CHANGE IN FUND BALANCE	$ 100,000	$ (700,000)	286,253	$ 986,253
FUND BALANCE:				
Beginning of year			5,615,748	
End of year			$ 5,902,001	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Downtown Beautification Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 2,233,813	$ 2,233,813
Total revenues	-	-	2,233,813	2,233,813
Expenditures:				
Capital outlay	-	2,673,678	2,668,467	5,211
Total expenditures	-	2,673,678	2,668,467	5,211
NET CHANGE IN FUND BALANCE	$ -	$ (2,673,678)	(434,654)	$ 2,239,024
FUND BALANCE (DEFICIT):				
Beginning of year			(394,317)	
End of year			$ (828,971)	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Stormwater Management Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 9,122	$ 9,122	$ 37,698	$ 28,576
Total revenues	9,122	9,122	37,698	28,576
NET CHANGE IN FUND BALANCE	$ 9,122	$ 9,122	37,698	$ 28,576
FUND BALANCE:				
Beginning of year			817,872	
End of year			$ 855,570	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
2022A Refunding Bond Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 1,695	$ 1,695	$ 6,472	$ 4,777
Total revenues	1,695	1,695	6,472	4,777
Expenditures:				
Current:				
General government	6,939	6,939	4,702	2,237
Debt service:				
Principal retirement	1,140,757	1,140,757	1,140,757	-
Interest and fiscal charges	474,128	474,128	474,128	-
Total expenditures	1,621,824	1,621,824	1,619,587	2,237
Excess (deficiency) of revenues over expenditures	(1,620,129)	(1,620,129)	(1,613,115)	7,014
Other financing sources:				
Transfers in	1,614,885	1,614,885	1,614,885	-
Total other financing sources	1,614,885	1,614,885	1,614,885	-
NET CHANGE IN FUND BALANCE	$ (5,244)	$ (5,244)	1,770	$ 7,014
FUND BALANCE:				
Beginning of year			190,427	
End of year			$ 192,197	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gilroy Community Library Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 1,897,950	$ 1,897,950	$ 1,699,940	$ (198,010)
Investment income	11,904	11,904	41,917	30,013
Total revenues	1,909,854	1,909,854	1,741,857	(167,997)
Expenditures:				
Current:				
General government	6,478	7,691	9,884	(2,193)
Debt service:				
Principal retirement	1,124,634	1,124,634	1,124,634	-
Interest and fiscal charges	711,970	711,970	711,969	1
Total expenditures	1,843,082	1,844,295	1,846,487	(2,192)
NET CHANGE IN FUND BALANCE	$ 66,772	$ 65,559	(104,630)	$ (170,189)
FUND BALANCE:				
Beginning of year			1,444,679	
End of year			$ 1,340,049	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CA Energy Commission Loan Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 624	$ 624	$ 1,984	$ 1,360
Total revenues	624	624	1,984	1,360
Expenditures:				
Current:				
Public works	512	512	512	-
Debt service:				
Principal retirement	95,241	95,241	95,188	53
Interest and fiscal charges	4,622	4,622	4,674	(52)
Total expenditures	100,375	100,375	100,374	1
Excess (deficiency) of revenues over expenditures	(99,751)	(99,751)	(98,390)	1,361
Other financing sources:				
Transfers in	99,863	99,863	99,863	-
Total other financing sources	99,863	99,863	99,863	-
NET CHANGE IN FUND BALANCE	$ 112	$ 112	1,473	$ 1,361
FUND BALANCE:				
Beginning of year			22,098	
End of year			$ 23,571	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Lease Revenue Bonds Series 2020A Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 8,345	$ 8,345	$ 24,122	$ 15,777
Total revenues	8,345	8,345	24,122	15,777
Expenditures:				
Current:				
General government	5,658	5,658	3,419	2,239
Debt service:				
Principal retirement	840,000	840,000	840,000	-
Interest and fiscal charges	513,250	513,250	513,250	-
Total expenditures	1,358,908	1,358,908	1,356,669	2,239
Excess (deficiency) of revenues over expenditures	(1,350,563)	(1,350,563)	(1,332,547)	18,016
Other financing sources:				
Transfers in	1,353,250	1,353,250	1,353,250	-
Total other financing sources	1,353,250	1,353,250	1,353,250	-
NET CHANGE IN FUND BALANCE	$ 2,687	$ 2,687	20,703	$ 18,016
FUND BALANCE:				
Beginning of year			695,835	
End of year			$ 716,538	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Henry Miller Permanent Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	$ 241	$ 241	$ 712	$ 471
Total revenues	241	241	712	471
Expenditures:				
Current:				
General government	-	-	1,039	(1,039)
Total expenditures	-	-	1,039	(1,039)
NET CHANGE IN FUND BALANCE	$ 241	$ 241	(327)	$ (568)
FUND BALANCE:				
Beginning of year			16,039	
End of year			$ 15,712	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Museum Trust Permanent Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 727	$ 727	$ 2,104	$ 1,377
Total revenues	727	727	2,104	1,377
Expenditures:				
Current:				
Recreation services	-	-	3,124	(3,124)
Total expenditures	-	-	3,124	(3,124)
NET CHANGE IN FUND BALANCE	$ 727	$ 727	(1,020)	$ (1,747)
FUND BALANCE:				
Beginning of year			11,539	
End of year			$ 10,519	

CITY OF
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CALIFORNIA
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INTERNAL SERVICE FUNDS

These funds account for goods or services provided to other departments of the City where the intent of the City is that the costs of these goods or services are to be recovered through interdepartmental charges at the time that the goods are delivered or the services rendered to those departments.

Fleet Services - This fund is used to account for the operations required to maintain the City's vehicles. The costs are recovered through an annual "user fee" which is charged to all departments/funds that have vehicle use. This fund also provides funding for replacement of all the City's vehicles on an "as needed" basis.

Equipment Outlay - This fund is used to allocate resources intended for the purchase of General Fund equipment costing more than $1,000.

Workers' Compensation - This fund is used to account for all expenses relating to workers' compensation (i.e., injury claims, insurance premiums, etc.). The costs are recovered through an annual "user fee" which is charged to all departments/funds that have employees.

General Liability - This fund is used to account for all expenses relating to the City's general liability insurance. The costs are recovered through an annual "user fee" which is charged to various funds.

Facility Services - This fund is used to account for all expenses relating to the operation and maintenance of City facilities. The costs are recovered through an annual "user fee" which is charged to all departments/funds that have facilities.

Information Technologies - This fund is used to account for all expenses relating to computer hardware, software, maintenance, capital purchasing and other service charges. The costs are recovered through an annual "user fee" which is charged to all departments/funds that have computer equipment.

Personnel Benefits - This fund is used for City paid benefits which are charged. Examples include medical, dental, disability, unemployment, life insurance and retirement including PERS and PARS. These benefit costs are allocated to the funds based on budget for three quarters and then reconciled to actual in the fourth quarter.

City of Gilroy
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
ASSETS				
Current assets:				
Cash and investments	$ 3,745,115	$ 3,468,345	$ 4,905,006	$ 2,561,138
Accounts receivable	-	-	-	23,685
Interest receivable	-	-	-	-
Lease receivable - current	-	-	-	-
Prepaid items	-	-	-	-
Total current assets	3,745,115	3,468,345	4,905,006	2,584,823
Noncurrent assets:				
Interfund loans receivable	1,916,723	-	-	-
Lease receivable -noncurrent	-	-	-	-
Capital assets:				
Nondepreciable	151,428	24,137	-	-
Depreciable and amortizable, net	4,898,433	353,816	-	-
Total capital assets	5,049,861	377,953	-	-
Total noncurrent assets	6,966,584	377,953	-	-
Total assets	10,711,699	3,846,298	4,905,006	2,584,823
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	168,963	-	-	-
OPEB related	46,227	-	-	-
Total deferred outflows of resources	215,190	-	-	-

(Continued)

City of Gilroy
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2025

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 48,204	$ 23,781	$ 17,759	$ 33,243
Accrued liabilities	58,154	-	-	-
Retention payable	-	-	-	-
Interest payable	-	-	-	-
Deposit payable	-	-	-	-
Due to other funds	-	-	-	-
Compensated absences, current portion	6,767	-	-	-
Long term debt, current portion	-	-	-	-
Claims payable, current portion	-	-	1,341,000	862,169
Total OPEB liability, current portion	12,796	-	-	-
Total current liabilities	125,921	23,781	1,358,759	895,412
Noncurrent liabilities:				
Compensated absences, noncurrent portion	20,299	-	-	-
Long term debt, noncurrent portion	-	-	-	-
Claims payable	-	-	6,720,000	1,883,591
Net pension liability	815,657	-	-	-
Total OPEB liability, noncurrent portion	240,788	-	-	-
Total noncurrent liabilities	1,076,744	-	6,720,000	1,883,591
Total liabilities	1,202,665	23,781	8,078,759	2,779,003
DEFERRED INFLOWS OF RESOURCES				
OPEB related	67,309	-	-	-
Leases related	-	-	-	-
Total deferred inflows of resources	67,309	-	-	-
NET POSITION:				
Net investment in capital assets	5,049,861	377,953	-	-
Unrestricted (deficit)	4,607,054	3,444,564	(3,173,753)	(194,180)
Total net position	$ 9,656,915	$ 3,822,517	$ (3,173,753)	$ (194,180)

(Continued)

City of Gilroy
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2025

	Facility Services	Information Technologies	Personnel Benefits	Total
ASSETS				
Current assets:				
Cash and investments	$ 3,829,273	$ 4,005,781	$ 147,397	$ 22,662,055
Accounts receivable	24,708	-	6,633	55,026
Interest receivable	2,506	-	-	2,506
Lease receivable - current	49,672	-	-	49,672
Prepaid items	-	194,379	-	194,379
Total current assets	3,906,159	4,200,160	154,030	22,963,638
Noncurrent assets:				
Interfund loans receivable	-	-	-	1,916,723
Lease receivable -noncurrent	335,090	-	-	335,090
Capital assets:				
Nondepreciable	598,404	-	-	773,969
Depreciable and amortizable, net	51,250	3,804,595	-	9,108,094
Total capital assets	649,654	3,804,595	-	9,882,063
Total noncurrent assets	984,744	3,804,595	-	12,133,876
Total assets	4,890,903	8,004,755	154,030	35,097,514
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	236,580	327,046	-	732,589
OPEB related	38,111	52,235	-	136,573
Total deferred outflows of resources	274,691	379,281	-	869,162

(Continued)

City of Gilroy
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2025

	Facility Services	Information Technologies	Personnel Benefits	Total
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 287,343	$ 377,492	$ 6,542	$ 794,364
Accrued liabilities	121,185	117,316	5	296,660
Retention payable	28,387	-	-	28,387
Interest payable	-	16,842	-	16,842
Deposit payable	4,777	-	-	4,777
Due to other funds	-	-	5,021	5,021
Compensated absences, current portion	17,152	32,731	-	56,650
Long term debt, current portion	-	589,289	-	589,289
Claims payable, current portion	-	-	-	2,203,169
Total OPEB liability, current portion	10,549	14,459	-	37,804
Total current liabilities	469,393	1,148,129	11,568	4,032,963
Noncurrent liabilities:				
Compensated absences, noncurrent portion	51,455	98,191	-	169,945
Long term debt, noncurrent portion	-	724,373	-	724,373
Claims payable	-	-	-	8,603,591
Net pension liability	1,142,076	1,578,793	-	3,536,526
Total OPEB liability, noncurrent portion	198,510	272,080	-	711,378
Total noncurrent liabilities	1,392,041	2,673,437	-	13,745,813
Total liabilities	1,861,434	3,821,566	11,568	17,778,776
DEFERRED INFLOWS OF RESOURCES				
OPEB related	55,491	76,057	-	198,857
Leases related	307,040	-	-	307,040
Total deferred inflows of resources	362,531	76,057	-	505,897
NET POSITION:				
Net investment in capital assets	621,267	2,490,933	-	8,540,014
Unrestricted (deficit)	2,320,362	1,995,480	142,462	9,141,989
Total net position	$ 2,941,629	$ 4,486,413	$ 142,462	$ 17,682,003

(Concluded)

City of Gilroy
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
OPERATING REVENUES:				
Charges for services	$ 2,817,424	$ -	$ 1,659,597	$ 2,575,268
Miscellaneous	4,622	-	-	287,921
Total operating revenues	2,822,046	-	1,659,597	2,863,189
OPERATING EXPENSES:				
Current:				
Operations	1,784,420	686,001	20,888	335
Depreciation/Amortization expense	713,618	60,774	-	-
Administration	42,366	-	159,705	21,395
Claims and judgments	13,783	-	1,479,161	222,975
Insurance premiums	-	-	370,645	2,538,043
Total operating expenses	2,554,187	746,775	2,030,399	2,782,748
OPERATING INCOME (LOSS)	267,859	(746,775)	(370,802)	80,441
NONOPERATING REVENUES:				
Investment income	192,963	167,101	200,986	53,201
Interest expense	-	-	-	-
Total nonoperating revenues	192,963	167,101	200,986	53,201
CHANGES IN NET POSITION	460,822	(579,674)	(169,816)	133,642
NET POSITION (DEFICIT):				
Beginning of year, as previously reported	9,207,736	4,402,191	(3,003,937)	(327,822)
Change in accounting principle (GASB 101)	(11,643)	-	-	-
Beginning of year, as restated (Note 18)	9,196,093	4,402,191	(3,003,937)	(327,822)
End of year	$ 9,656,915	$ 3,822,517	$ (3,173,753)	$ (194,180)

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2025

	Facility Services	Information Technologies	Personnel Benefits	Total
OPERATING REVENUES:				
Charges for services	$ 4,233,234	$ 3,901,953	$ -	$ 15,187,476
Miscellaneous	209,787	-	-	502,330
Total operating revenues	4,443,021	3,901,953	-	15,689,806
OPERATING EXPENSES:				
Current:				
Operations	3,230,222	3,270,782	-	8,992,648
Depreciation/Amortization expense	1,314	733,426	-	1,509,132
Administration	515	530	-	224,511
Claims and judgments	-	-	-	1,715,919
Insurance premiums	-	-	-	2,908,688
Total operating expenses	3,232,051	4,004,738	-	15,350,898
OPERATING INCOME (LOSS)	1,210,970	(102,785)	-	338,908
NONOPERATING REVENUES:				
Investment income	144,903	168,019	-	927,173
Interest expense	-	(21,759)	-	(21,759)
Total nonoperating revenues	144,903	146,260	-	905,414
CHANGES IN NET POSITION	1,355,873	43,475	-	1,244,322
NET POSITION (DEFICIT):				
Beginning of year, as previously reported	1,606,299	4,500,083	142,462	16,527,012
Change in accounting principle (GASB 101)	(20,543)	(57,145)	-	(89,331)
Beginning of year, as restated (Note 18)	1,585,756	4,442,938	142,462	16,437,681
End of year	$ 2,941,629	$ 4,486,413	$ 142,462	$ 17,682,003

(Concluded)

City of Gilroy
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	$ 2,822,046	$ -	$ 1,659,597	$ 2,839,534
Cash paid to suppliers for goods and services	(1,423,892)	(672,715)	(198,940)	(240,977)
Cash paid to employees for services	(679,061)	-	-	(30)
Cash paid for insurance claims	(13,783)	-	(1,496,806)	(2,527,563)
Net cash provided by (used in) operating activities	705,310	(672,715)	(36,149)	70,964
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	316,327	-	-	-
Net cash provided by noncapital financing activities	316,327	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(1,138,607)	(24,137)	-	-
Principal paid	-	-	-	-
Interest paid	-	-	-	-
Net cash (used in) capital and related financing activities	(1,138,607)	(24,137)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	192,963	167,101	200,986	53,201
Net cash provided by investing activities	192,963	167,101	200,986	53,201
Net change in cash and cash equivalents	75,993	(529,751)	164,837	124,165
CASH AND CASH EQUIVALENTS:				
Beginning of year	3,669,122	3,998,096	4,740,169	2,436,973
End of year	$ 3,745,115	$ 3,468,345	$ 4,905,006	$ 2,561,138
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Cash and investments	$ 3,745,115	$ 3,468,345	$ 4,905,006	$ 2,561,138
Total cash and cash equivalents	$ 3,745,115	$ 3,468,345	$ 4,905,006	$ 2,561,138

(Continued)

City of Gilroy
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2025

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	$ 267,859	$ (746,775)	$ (370,802)	$ 80,441
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	713,618	60,774	-	-
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	-	-	-	(23,685)
(Increase)/decrease in lease receivables	-	-	-	-
(Increase)/decrease in prepaid items	-	-	-	-
(Increase)/decrease in deferred outflows of resources related to pensions	55,506	-	-	-
(Increase)/decrease in deferred outflows of resources related to OPEB	12,580	-	-	-
Increase/(decrease) in accounts payable	(146,284)	13,286	(18,347)	3,728
Increase/(decrease) in accrued liabilities	(22,451)	-	-	-
Increase/(decrease) in deposit payable	-	-	-	-
Increase/(decrease) in compensated absences	(12,869)	-	-	-
Increase/(decrease) in claims payable	-	-	353,000	10,480
Increase/(decrease) in net pension liabilities	(118,504)	-	-	-
Increase/(decrease) in total OPEB liabilities	(16,120)	-	-	-
Increase/(decrease) in deferred inflows of resources lease related	-	-	-	-
Increase/(decrease) in deferred inflows of resources related to pensions	(3,339)	-	-	-
Increase/(decrease) in deferred inflows of resources related to OPEB	(24,686)	-	-	-
Net cash provided by (used in) operating activities	$ 705,310	$ (672,715)	$ (36,149)	$ 70,964
NONCASH ITEMS:				
Acquisition of subscription assets	$ -	$ -	$ -	$ -
Issuance of subscription liabilities	$ -	$ -	$ -	$ -

(Continued)

City of Gilroy
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2025

	Facility Services	Information Technologies	Personnel Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	$ 4,431,638	$ 3,901,953	$ (6,633)	$ 15,648,135
Cash paid to suppliers for goods and services	(2,607,238)	(1,544,923)	(2,434)	(6,691,119)
Cash paid to employees for services	(712,737)	(1,088,952)	-	(2,480,780)
Cash paid for insurance claims	-	-	-	(4,038,152)
Net cash provided by (used in) operating activities	1,111,663	1,268,078	(9,067)	2,438,084
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	-	-	5,021	321,348
Net cash provided by noncapital financing activities	-	-	5,021	321,348
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(152,308)	(318,476)	-	(1,633,528)
Principal paid	-	(647,091)	-	(647,091)
Interest paid	-	(12,761)	-	(12,761)
Net cash (used in) capital and related financing activities	(152,308)	(978,328)	-	(2,293,380)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	144,515	168,019	-	926,785
Net cash provided by investing activities	144,515	168,019	-	926,785
Net change in cash and cash equivalents	1,103,870	457,769	(4,046)	1,392,837
CASH AND CASH EQUIVALENTS:				
Beginning of year	2,725,403	3,548,012	151,443	21,269,218
End of year	$ 3,829,273	$ 4,005,781	$ 147,397	$ 22,662,055
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Cash and investments	$ 3,829,273	$ 4,005,781	$ 147,397	$ 22,662,055
Total cash and cash equivalents	$ 3,829,273	$ 4,005,781	$ 147,397	$ 22,662,055

(Continued)

City of Gilroy
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2025

	Facility Services	Information Technologies	Personnel Benefits	Total
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	$ 1,210,970	$ (102,785)	$ -	$ 338,908
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	1,314	733,426	-	1,509,132
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	(7,406)	-	(6,633)	(37,724)
(Increase)/decrease in lease receivables	302,867			302,867
(Increase)/decrease in prepaid items	-	231,028	-	231,028
(Increase)/decrease in deferred outflows of resources related to pensions	70,096	10,012	-	135,614
(Increase)/decrease in deferred outflows of resources related to OPEB	11,122	(3,002)	-	20,700
Increase/(decrease) in accounts payable	(55,112)	101,895	(2,439)	(103,273)
Increase/(decrease) in accrued liabilities	51,122	35,341	5	64,017
Increase/(decrease) in deposit payable	500	-	-	500
Increase/(decrease) in compensated absences	10,568	31,324	-	29,023
Increase/(decrease) in claims payable	-	-	-	363,480
Increase/(decrease) in net pension liabilities	(134,204)	176,075	-	(76,633)
Increase/(decrease) in total OPEB liabilities	(16,740)	60,740	-	27,880
Increase/(decrease) in deferred inflows of resources lease related	(307,344)	-	-	(307,344)
Increase/(decrease) in deferred inflows of resources related to pensions	(4,562)	(5,014)	-	(12,915)
Increase/(decrease) in deferred inflows of resources related to OPEB	(21,528)	(962)	-	(47,176)
Net cash provided by (used in) operating activities	$ 1,111,663	$ 1,268,078	$ (9,067)	$ 2,438,084
NONCASH ITEMS:				
Acquisition of subscription assets	$ -	$ (1,254,735)	$ -	$ (1,254,735)
Issuance of subscription liabilities	$ -	$ 1,254,735	$ -	$ 1,254,735

(Concluded)

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Fiduciary Funds

These funds account for assets held by the City on behalf of other organizations.

Custodial Funds

Senior Advisory Board - This fund is used to account for revenues that come from fundraising and donations. The funds are used to buy equipment for the Senior Center.

Highway 152 Series 2018 - This fund is used to account for special assessments collected and pay the bonded indebtedness for the Highway 152 Series 2018 Bonds.

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City of Gilroy
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds		
	Senior Advisory Board	Highway 152 Series 2018	Total
Assets:			
Cash and investments	$ 10,080	$ 917,022	$ 927,102
Cash and investments with fiscal agent	-	301,229	301,229
Accounts receivable	-	1,119	1,119
Total Assets	10,080	1,219,370	1,229,450
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	10,080	1,219,370	1,229,450
Total Net Position	$ 10,080	$ 1,219,370	$ 1,229,450

City of Gilroy
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Custodial Funds		
	Senior Advisory Board	Highway 152 Series 2018	Total
ADDITIONS:			
Taxes	$ -	$ 910,772	$ 910,772
Investment income	438	30,946	31,384
Total additions	583	941,718	942,301
DEDUCTIONS:			
General administration	-	32,221	32,221
Payments on conduit bonds - principal	-	744,468	744,468
Payments on conduit bonds - interest	-	135,959	135,959
Total deductions	-	912,648	912,648
CHANGE IN NET POSITION	583	29,070	29,653
NET POSITION:			
Beginning of year	9,497	1,190,300	1,199,797
End of year	$ 10,080	$ 1,219,370	$ 1,229,450

STATISTICAL SECTION

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STATISTICAL SECTION
(Unaudited)

This part of the City of Gilroy's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends 186-195

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 196-205

These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 206-213

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 215-216

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 217-222

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

City of Gilroy
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental Activities:					
Net investment in capital assets	$ 159,684,128	$ 154,863,285	$ 159,069,886	$ 156,750,373	$ 151,904,792
Restricted	35,564,991	41,636,040	48,731,281	49,688,804	57,137,761
Unrestricted (deficit)	(25,032,197)	(25,229,815)	(36,193,491)	(37,759,850)	(42,674,183)
Total governmental activities net position [1]	170,216,922	171,269,510	171,607,676	168,679,327	166,368,370
Business-type Activities:					
Net investment in capital assets	90,917,108	88,183,287	87,336,604	91,134,932	86,503,324
Restricted	-	-	-	-	-
Unrestricted	88,668,400	93,612,020	98,375,675	100,053,259	97,543,664
Total business-type activities net position	179,585,508	181,795,307	185,712,279	191,188,191	184,046,988
Primary Government:					
Net investment in capital assets	250,601,236	243,046,572	246,406,490	247,885,305	238,408,116
Restricted	35,564,991	41,636,040	48,731,281	49,688,804	57,137,761
Unrestricted	63,636,203	68,382,205	62,182,184	62,293,409	54,869,481
Total primary government net position	$ 349,802,430	$ 353,064,817	$ 357,319,955	$ 359,867,518	$ 350,415,358

(1) Governmental Activities Net Position restated in FY2024

City of Gilroy
Net Position By Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2021	2022	2023	2024	2025
Governmental Activities:				(as restated)	
Net investment in capital assets	$ 149,891,568	$ 147,079,194	$ 149,484,869	$ 156,065,446	$ 161,963,439
Restricted	57,570,568	71,627,654	75,520,059	74,999,533	60,253,307
Unrestricted (deficit)	(42,545,831)	(28,023,535)	(29,547,209)	(27,272,265)	(12,889,972)
Total governmental activities net position [1]	164,916,305	190,683,313	195,457,719	203,792,714	209,326,774
Business-type Activities:					
Net investment in capital assets	83,119,598	73,389,328	56,102,435	41,274,595	38,388,637
Restricted	-	-	-	-	24,842,965
Unrestricted	99,198,302	109,250,688	130,281,582	147,256,214	151,891,562
Total business-type activities net position	182,317,900	182,640,016	186,384,017	188,530,809	215,123,164
Primary Government:					
Net investment in capital assets	233,011,166	220,468,522	205,587,304	197,340,041	200,352,076
Restricted	57,570,568	71,627,654	75,520,059	74,999,533	85,096,272
Unrestricted	56,652,471	81,227,153	100,734,373	119,983,949	139,001,590
Total primary government net position	$ 347,234,205	$ 373,323,329	$ 381,841,736	$ 392,323,523	$ 424,449,938

(1) Governmental Activities Net Position restated in FY2024

City of Gilroy
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses:					
Governmental activities:					
General government	$ 3,900,226	$ 6,437,408	$ 7,315,065	$ 7,696,445	$ 6,131,791
Public safety	31,020,245	33,393,829	35,591,790	37,837,438	40,088,865
Community development	21,413,283	19,167,193	19,211,323	18,348,409	8,556,959
Public works	8,217,318	8,978,597	9,654,957	9,526,627	23,525,423
Recreation services	-	-	-	-	-
Interest and other charges	3,327,992	3,256,733	3,147,606	3,226,849	2,431,588
Total governmental activities expenses	67,879,064	71,233,760	74,920,741	76,635,768	80,734,626
Business-type activities					
Sewer	12,298,662	12,060,236	11,538,388	14,044,716	14,668,434
Water	8,370,320	9,197,426	9,937,768	11,777,220	12,603,780
Total business-type activities expenses	20,668,982	21,257,662	21,476,156	25,821,936	27,272,214
Total primary government expenses	$ 88,548,046	$ 92,491,422	$ 96,396,897	$ 102,457,704	$ 108,006,840
Program revenues:					
Governmental activities:					
Charges for services:					
General government	$ 1,651,713	$ 3,087,335	$ 3,280,977	$ 3,726,486	$ 3,550,758
Public safety	1,146,593	1,439,418	959,277	1,234,017	1,188,951
Community development	6,145,791	5,207,571	6,430,321	6,624,477	3,909,360
Public works	978,780	986,582	977,834	1,009,235	715,299
Recreation services	-	-	-	-	-
Operating grants and contributions	22,838,535	15,860,767	19,389,757	13,146,274	14,247,635
Capital grants and contributions	3,820,892	5,438,560	10,319,300	2,649,021	1,931,458
Total governmental activities program revenues	36,582,304	32,020,233	41,357,466	28,389,510	25,543,461
Business-type activities:					
Charges for services:					
Sewer	11,984,798	12,833,030	12,961,285	12,904,657	12,872,189
Water	7,330,300	9,156,082	11,343,036	12,294,119	14,590,973
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	5,086,464	1,172,844	2,330,335	4,160,510	2,439,117
Total business-type activities program revenues	24,401,562	23,161,956	26,634,656	29,359,286	29,902,279
Total primary government program revenues	$ 60,983,866	$ 55,182,189	$ 67,992,122	$ 57,748,796	$ 55,445,740
Net revenue (expense):					
Governmental activities	$ (31,296,760)	$ (39,213,527)	$ (33,563,275)	$ (48,246,258)	$ (55,191,165)
Business-type activities	3,732,580	1,904,294	5,158,500	3,537,350	2,630,065
Total primary government net expense	$ (27,564,180)	$ (37,309,233)	$ (28,404,775)	$ (44,708,908)	$ (52,561,100)

City of Gilroy
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2021	2022	2023	2024	2025
Expenses:				(as restated)	
Governmental activities:					
General government	$ 7,315,868	$ 10,224,823	$ 10,440,465	$ 10,791,941	$ 11,885,614
Public safety	40,797,962	38,706,978	42,789,395	49,655,154	27,017,687
Community development	7,147,532	7,689,175	6,999,373	5,581,774	6,390,947
Public works	16,862,660	13,840,272	17,285,317	15,161,026	15,766,481
Recreation services	1,779,121	1,600,210	1,755,454	1,871,024	1,831,889
Interest and other charges	2,081,420	2,089,473	2,199,547	1,619,175	1,448,886
Total governmental activities expenses	75,984,563	74,150,931	81,469,551	84,680,094	64,341,504
Business-type activities					
Sewer	15,820,944	12,678,990	12,134,168	14,608,119	15,846,817
Water	16,435,598	10,930,989	11,574,875	15,684,791	15,698,968
Total business-type activities expenses	32,256,542	23,609,979	23,709,043	30,292,910	31,545,785
Total primary government expenses	$ 108,241,105	$ 97,760,910	$ 105,178,594	$ 114,973,004	$ 95,887,289
Program revenues:					
Governmental activities:					
Charges for services:					
General government	$ 2,815,647	$ 4,595,133	$ 4,645,730	$ 4,942,026	$ 5,049,218
Public safety	1,242,281	476,918	713,565	553,136	459,161
Community development	4,185,811	3,346,864	3,513,190	4,405,597	4,026,283
Public works	3,593,959	1,317,695	1,122,432	1,466,793	1,942,315
Recreation services	223,154	599,265	561,859	724,581	668,979
Operating grants and contributions	16,482,904	15,464,192	8,683,432	4,312,788	8,547,710
Capital grants and contributions	2,000,357	18,227,036	7,203,431	10,139,778	15,069,439
Total governmental activities program revenues	30,544,113	44,027,103	26,443,639	26,544,699	35,763,105
Business-type activities:					
Charges for services:					
Sewer	12,702,398	12,912,113	13,037,892	14,229,982	15,234,796
Water	14,830,153	13,959,847	13,286,485	14,615,051	15,831,992
Operating grants and contributions	-	414,952	47,697	39,091	-
Capital grants and contributions	2,511,059	566,140	561,591	872,072	1,454,890
Total business-type activities program revenues	30,043,610	27,853,052	26,933,665	29,756,196	32,521,678
Total primary government program revenues	$ 60,587,723	$ 71,880,155	$ 53,377,304	$ 56,300,895	$ 68,284,783
Net revenue (expense):					
Governmental activities	$ (45,440,450)	$ (30,123,828)	$ (55,025,912)	$ (58,135,395)	$ (28,578,399)
Business-type activities	(2,212,932)	4,243,073	3,224,622	(536,714)	975,893
Total primary government net expense	$ (47,653,382)	$ (25,880,755)	$ (51,801,290)	$ (58,672,109)	$ (27,602,506)

City of Gilroy
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
General revenues and other changes in net position:					
Governmental Activities:					
Taxes:					
Property taxes	$ 11,468,510	$ 12,278,553	$ 13,161,002	$ 14,476,481	$ 15,595,639
Sales tax	17,884,735	17,768,469	18,827,189	20,186,105	17,233,882
Transient occupancy taxes	1,676,691	1,709,332	1,722,355	1,771,882	1,237,812
Franchise tax	1,569,059	1,623,951	1,713,690	1,669,817	1,855,622
Other taxes	5,116,588	5,264,486	5,192,899	5,093,813	5,667,201
Investment income	647,057	900,622	1,190,732	2,567,147	2,039,471
State motor vehicle in lieu	21,385	24,715	29,444	26,695	-
Other	392,815	15,188	571,340	166,316	127,479
Transfers	(685,189)	(305,505)	1,241,528	(640,347)	(447,847)
Total governmental activities	38,091,651	39,279,811	43,650,179	45,317,909	43,309,259
Business-type activities:					
Investment and rental income	-	-	-	1,298,215	1,169,133
Other	-	-	-	-	-
Transfers	685,189	305,505	(1,241,528)	640,347	447,847
Total business-type activities	685,189	305,505	(1,241,528)	1,938,562	1,616,980
Total primary government	$ 38,776,840	$ 39,585,316	$ 42,408,651	$ 47,256,471	$ 44,926,239
Changes in net position:					
Governmental activities	$ 6,794,891	$ 66,284	$ 10,086,904	$ (3,209,094)	$ (11,881,906)
Business-type activities	4,417,769	2,209,799	3,916,972	5,475,912	4,247,045
Total primary government	$ 11,212,660	$ 2,276,083	$ 14,003,876	$ 2,266,818	$ (7,634,861)
Net Position, Beginning					
Beginning Net Position Restatement [1][2]	338,589,770	348,802,430	343,316,059	357,319,935	358,050,219
Restatement	-	(7,762,454)	-	(1,536,534)	12,990
Changes in Net Position	11,212,660	2,276,083	14,003,876	2,266,818	(7,634,861)
Net Position, Ending	$ 349,802,430	$ 343,316,059	$ 357,319,935	$ 358,050,219	$ 350,428,348

[1] Net Position, as restated in FY2024, 2023, 2020, 2018, and 2015.

[2] A change in accounting estimate and change within the financial reporting entity are treated prospectively, prior periods are not restated.

City of Gilroy
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2021	2022	2023	2024	2025
General revenues and other changes in net position:				(as restated)	
Governmental Activities:					
Taxes:					
Property taxes	$ 17,016,855	$ 20,294,522	$ 21,600,130	$ 22,449,412	$ 22,667,453
Sales tax	18,584,534	23,216,109	22,936,208	23,178,306	20,478,194
Transient occupancy taxes	1,105,300	1,545,721	1,754,615	1,560,500	1,509,597
Franchise tax	1,732,613	1,874,046	2,198,150	2,239,365	2,354,848
Other taxes	5,030,153	6,107,309	6,955,492	6,923,185	7,418,030
Investment income	502,770	(418,588)	3,438,121	7,321,678	3,075,916
State motor vehicle in lieu	-	-	-	-	-
Other	644,291	3,345,996	1,417,790	3,012,623	2,269,201
Transfers	(641,121)	(74,279)	(878,113)	(656,136)	829,416
Total governmental activities	43,975,395	55,890,836	59,422,393	66,028,933	60,602,655
Business-type activities:					
Investment and rental income	(157,277)	(4,011,115)	(365,320)	2,012,613	2,072,352
Other	-	15,879	6,586	14,757	117,947
Transfers	641,121	74,279	878,113	656,136	(829,416)
Total business-type activities	483,844	(3,920,957)	519,379	2,683,506	1,360,883
Total primary government	$ 44,459,239	$ 51,969,879	$ 59,941,772	$ 68,712,439	$ 61,963,538
Changes in net position:					
Governmental activities	$ (1,465,055)	$ 25,767,008	$ 4,396,481	$ 7,893,538	$ 32,024,256
Business-type activities	(1,729,088)	322,116	3,744,001	2,146,792	2,336,776
Total primary government	$ (3,194,143)	$ 26,089,124	$ 8,140,482	$ 10,040,330	$ 34,361,032
Net Position, Beginning					
Beginning Net Position Restatement [1][2]	350,428,348	347,234,205	373,701,254	381,841,736	390,088,906
Restatement	-	377,925	-	441,457	-
Changes in Net Position	(3,194,143)	26,089,124	8,140,482	10,040,330	34,361,032
Net Position, Ending	$ 347,234,205	$ 373,701,254	$ 381,841,736	$ 392,323,523	$ 424,449,938

[1] Net Position, as restated in FY2024, 2023, 2020, 2018, and 2015.

[2] A change in accounting estimate and change within the financial reporting entity are treated prospectively, prior periods are not restated.

City of Gilroy
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
General fund:					
Nonspendable	$ 84,923	$ 74,217	$ 126,965	$ 76,000	$ 126,915
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	22,202,316	24,354,609	25,475,105	27,683,870	14,731,555
Total general fund	$ 22,287,239	$ 24,428,826	$ 25,602,070	$ 27,759,870	$ 14,858,470
All other governmental funds:					
Nonspendable	8,670	9,470	25,570	1,000	706,754
Restricted	44,922,496	50,775,875	55,248,281	57,445,219	57,421,683
Assigned	2,827,521	1,588,907	1,448,954	1,483,818	5,368,008
Unassigned (deficit)	(7,883,587)	(5,761,804)	(2,841,776)	(4,206,362)	(6,380,638)
Total all other governmental funds	$ 39,875,100	$ 46,612,448	$ 53,881,029	$ 54,723,675	$ 57,115,807

City of Gilroy
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2021	2022	2023	2024*	2025
General fund:					
Nonspendable	$ 47,874	$ 739	$ 23,750	$ 51,833	$ 111,832
Restricted	-	1,983,396	2,532,036	3,964,467	5,669,222
Committed	-	5,572,376	6,205,317	6,952,136	7,229,465
Unassigned	19,585,369	30,349,205	33,190,840	31,713,047	28,001,153
Total general fund	$ 19,633,243	$ 37,905,716	$ 41,951,943	$ 42,681,483	$ 41,011,672
All other governmental funds:					
Nonspendable	-	-	-	-	50,000
Restricted	58,391,239	67,727,936	71,140,553	71,266,622	53,426,226
Assigned	5,276,579	5,494,298	3,603,942	5,769,598	7,039,682
Unassigned (deficit)	(5,397,542)	-	(1,205,740)	(712,945)	(3,154,405)
Total all other governmental funds	$ 58,270,276	$ 73,222,234	$ 73,538,755	$ 76,323,275	$ 57,361,503

City of Gilroy
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues:					
Taxes	$ 40,177,903	$ 41,350,739	$ 43,512,402	$ 51,483,855	$ 44,269,937
Licenses and permits	3,720,755	2,713,733	2,751,137	3,487,338	1,776,651
Intergovernmental	4,291,272	3,748,000	4,047,728	3,913,484	5,473,529
Charges for services	24,960,535	18,973,863	22,820,605	11,501,828	13,951,822
Developer impact fees	-	-	-	-	-
Fines	266,163	293,899	208,305	239,873	282,535
Investment income (loss)	608,641	762,671	1,084,408	1,247,543	1,884,149
Miscellaneous	2,059,106	1,604,397	1,635,888	1,990,459	1,348,130
Total revenues	76,084,375	69,447,302	76,060,473	73,864,380	68,986,753
Expenditures:					
General government	4,532,241	4,906,824	5,103,946	5,760,831	6,361,042
Public safety	29,867,361	30,830,873	31,781,515	34,062,421	36,867,887
Public works	6,764,060	7,231,274	7,723,166	7,831,193	7,897,645
Recreation services	-	-	-	-	-
Community development	14,675,204	11,052,313	14,993,509	15,421,483	19,143,243
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	2,305,000	2,459,619	2,558,818	2,654,708	2,986,212
Interest	3,479,710	3,410,441	3,302,252	3,448,556	3,011,707
Bond issuance costs	-	-	-	112,903	-
Total expenditures	61,623,576	59,891,344	65,463,206	69,292,095	76,267,736
Excess of revenues over (under) expenditures	14,460,799	9,555,958	10,597,267	4,572,285	(7,280,983)
Other Financing Sources (Uses):					
Transfers in	6,803,782	4,233,745	4,503,781	4,236,075	8,937,984
Transfers out	(8,521,471)	(4,910,768)	(6,659,253)	(5,876,422)	(12,905,997)
Issuance of loan/notes	241,926	-	-	-	-
Issuance of bonds	-	-	-	-	19,087,551
Issuance of new subscription	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	(19,350,000)
Payment to bond escrow agent	-	-	-	(8,565,000)	-
Premium on bonds	-	-	-	8,633,538	-
Total other financing sources (uses)	(1,475,763)	(677,023)	(2,155,472)	(1,571,809)	(4,230,462)
Net Change in fund balances	$ 12,985,036	$ 8,878,935	$ 8,441,795	$ 3,000,476	$ (11,511,445)
Fund balances - July 1	-	12,985,036	21,863,971	30,305,766	83,485,722
Fund balances - June 30	$ 12,985,036	$ 21,863,971	$ 30,305,766	$ 33,306,242	$ 71,974,277
Debt service as a percentage of noncapital expenditures	9.52%	9.97%	9.58%	8.99%	8.67%

City of Gilroy
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

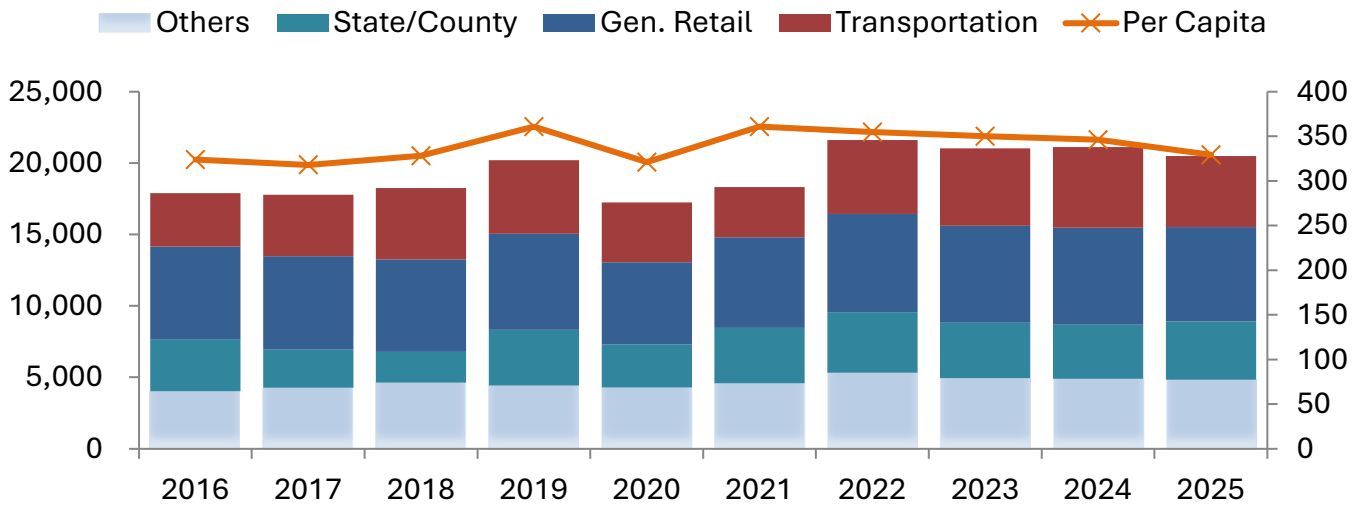
	Fiscal Year				
	2021	2022	2023	2024*	2025
Revenues:					
Taxes	$ 45,916,497	$ 53,037,707	$ 53,901,735	$ 54,719,656	$ 55,405,879
Licenses and permits	2,278,304	2,672,186	2,696,318	3,437,189	2,971,032
Intergovernmental	6,612,274	14,805,279	9,788,254	6,640,522	9,714,115
Charges for services	17,484,867	7,380,631	7,621,129	8,430,618	8,409,803
Developer impact fees	-	18,227,036	7,021,901	9,112,253	3,598,950
Fines	231,688	262,403	255,359	238,128	169,425
Investment income (loss)	358,452	(541,243)	3,094,097	6,464,017	4,672,103
Miscellaneous	2,867,269	4,023,213	2,395,534	4,799,222	4,704,125
Total revenues	75,749,351	99,867,212	86,774,326	93,841,605	89,645,432
Expenditures:					
General government	5,931,022	7,949,662	9,335,054	9,330,022	10,446,409
Public safety	35,856,183	37,687,794	40,547,210	45,346,356	48,242,373
Public works	7,231,722	6,094,830	6,073,851	6,396,896	1,831,889
Recreation services	1,702,666	1,463,448	1,755,215	1,816,860	6,365,424
Community development	5,523,912	5,535,526	5,682,180	5,827,599	7,819,597
Capital outlay	6,243,057	2,639,733	12,146,904	16,426,670	7,520,246
Debt service:					
Principal retirement	2,817,325	2,820,129	2,961,464	3,042,000	3,211,825
Interest	2,784,374	2,377,338	2,097,145	1,926,493	1,733,201
Bond issuance costs	-	-	169,268	-	-
Total expenditures	68,090,261	66,568,460	80,768,291	90,112,896	87,170,964
Excess of revenues over (under) expenditures	7,659,090	33,298,752	6,006,035	3,728,709	2,474,468
Other Financing Sources (Uses):					
Transfers in	24,306,099	6,603,536	6,325,297	6,948,526	6,378,161
Transfers out	(24,953,804)	(6,677,815)	(7,203,410)	(7,604,662)	(5,548,745)
Issuance of loan/notes	-	-	-	-	520,354
Issuance of bonds	16,459,825	-	14,587,831	-	-
Issuance of new subscription	-	-	-	-	24,721
Payment to refunded bond escrow	(17,555,000)	-	(15,352,976)	-	-
Payment to bond escrow agent	-	-	-	-	-
Premium on bonds	-	-	-	-	-
Total other financing sources (uses)	(1,742,880)	(74,279)	(1,643,258)	(656,136)	1,374,491
Net Change in fund balances	$ 5,916,210	$ 33,224,473	$ 4,362,777	$ 3,072,573	$ 3,848,959
Fund balances - July 1	71,987,267	77,903,477	111,127,950	115,932,185	94,524,216
Fund balances - June 30	$ 77,903,477	$ 111,127,950	$ 115,490,726	$ 119,004,758	$ 98,373,175
Debt service as a percentage of noncapital expenditures	8.79%	8.15%	7.25%	6.93%	6.59%

* Governmental Funds restricted fund balance were restated in FY2024

A change in accounting estimate and change within the financial reporting entity are treated prospectively, prior periods are not restated.

City of Gilroy
Sales Tax by Category
Last Ten Fiscal Years

CATEGORY	Fiscal Year 2016	2017	2018	2019	2020
Outlet Center	$ 2,747,030	$ 2,669,216	$ 2,571,713	$ 2,464,617	$ 1,739,806
Newman Development	2,426,698	2,500,961	2,529,804	2,743,665	2,643,207
Regency Center	999,738	968,005	987,417	1,004,376	896,599
Downtown Core	356,687	398,344	385,497	505,600	472,427
General Retail	6,530,153	6,536,526	6,474,431	6,718,258	5,752,039
Auto Dealers	2,633,013	3,224,719	3,691,038	3,855,166	3,056,022
Service Stations	1,094,398	1,064,232	1,290,582	1,298,298	1,129,189
Transportation	3,727,411	4,288,951	4,981,620	5,153,464	4,185,211
Others	4,018,337	4,263,541	4,632,323	4,418,367	4,294,454
Allocation from State and County	3,608,834	2,679,451	2,152,877	3,896,016	3,002,179
TOTALS:	$ 17,884,735	$ 17,768,469	$ 18,241,251	$ 20,186,105	$ 17,233,883
Population	55,170	55,936	55,615	55,928	57,084
Sales Tax Per Capita	324	318	328	361	321



Source: MBIA MuniServices Company
State of California, Department of Finance, Population Estimates for California Cities

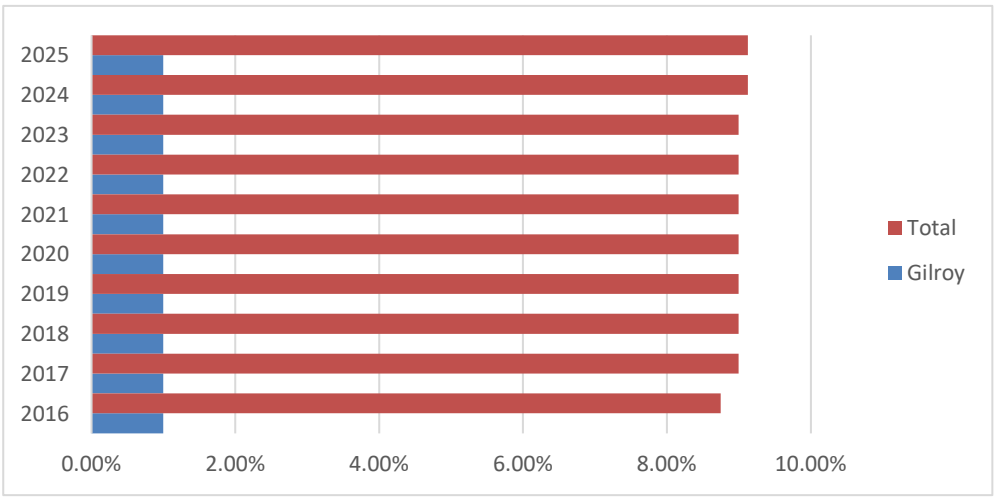
City of Gilroy
Sales Tax by Category (Continued)
Last Ten Fiscal Years

CATEGORY	Fiscal Year 2021	2022	2023	2024	2025
Outlet Center	$ 1,869,275	$ 2,042,775	$ 2,009,201	$ 2,007,700	$ 1,818,992
Newman Development	2,955,455	3,251,290	3,243,837	3,226,099	3,151,904
Regency Center	1,000,140	1,028,435	1,032,918	1,047,510	1,100,673
Downtown Core	512,427	547,587	502,300	501,092	525,938
General Retail	6,337,297	6,870,087	6,788,256	6,782,400	6,597,507
Auto Dealers	2,446,254	3,609,865	3,890,947	4,164,506	3,578,128
Service Stations	1,085,319	1,572,748	1,527,970	1,497,575	1,397,148
Transportation	3,531,573	5,182,613	5,418,917	5,662,082	4,975,276
Others	4,580,258	5,317,890	4,929,974	4,899,445	4,818,317
Allocation from State and County	3,867,949	4,238,018	3,892,813	3,775,708	4,087,094
TOTALS:	$ 18,317,077	$ 21,608,608	$ 21,029,959	$ 21,119,634	$ 20,478,194
Population	59,920	59,269	60,078	61,033	62,205
Sales Tax Per Capita	361	355	350	346	329

Source: MBIA MuniServices Company
State of California, Department of Finance, Population Estimates for California Cities

City of Gilroy
Sales Tax Rates
Last Ten Fiscal Years

	FISCAL YEAR									
Agency	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State of California	6.250%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%
Santa Clara County (SCC) Transportation	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
City of Gilroy	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
SCC Retail Transactions and Use Tax	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%
SCC Transactions and Use Tax										
SCC Transit District	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
SCC Valley Transportation Authority	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
SCC VTA Bay Area Rapid Transit	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%
Silicon Valley Transportation Solutions Tax		0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
2020 Peninsula Corridor JPB Retail							0.125%	0.125%	0.125%	0.125%
Total	8.750%	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%	9.125%	9.125%



Source: California Department of Tax and Fee Administration

City of Gilroy
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2025		2016	
Taxpayer	**Business Type**	**Taxpayer**	**Business Type**
Arco AM/PM Mini Marts	Service Stations	Ross Stores	Apparel Stores
Best Buy Stores	Furniture/Appliance	Kohl's Department Stores	Department Stores
Chevron Service Stations	Service Stations	Home Depot	Bldg.Matls-Retail
Costco Wholesale	Department Stores	Chrysler Jeep Dodge Ram	Auto Sales - New
Cresco Equipment Rentals	Heavy Industry	Arco AM/PM Mini Marts	Service Stations
Freeway Toyota Of Gilroy	Auto Sales - New	Wal Mart Stores	Department Stores
Gilroy Buick Gmc	Auto Sales - New	Target Stores	Department Stores
Gilroy Chevrolet Cadillac	Auto Sales - New	Best Buy Stores	Furniture/Appliance
Gilroy Chrysler Dodge Jeep Ram	Auto Sales - New	Nike Factory Store	Apparel Stores
Home Depot	Bldg.Matls-Retail	Chevron Service Stations	Service Stations
Hyundai Of Gilroy	Auto Sales - New	South County Nissan Hyundai	Auto Sales - New
In-N-Out Burgers	Restaurants	Ann Taylor Loft	Apparel Stores
Lowe's Home Centers	Bldg.Matls-Retail	Gilroy Chevrolet Cadillac	Auto Sales - New
Marshall's Stores	Apparel Stores	Rotten Robbie Service Stations	Service Stations
Mcdonald's Restaurants	Restaurants	Calvin Klein	Apparel Stores
Nike Factory Store	Apparel Stores	Shell Service Stations	Service Stations
Pape Machinery	Heavy Industry	Union 76 Service Stations	Service Stations
Performance Foodservice- Ledyard	Office Equipment	Ralph Lauren	Apparel Stores
Ross Stores	Apparel Stores	Coach Stores	Miscellaneous Retail
Rotten Robbie Service Stations	Service Stations	Vans	Apparel Stores
Shell Service Stations	Service Stations	Lowe's Home Centers	Bldg.Matls-Retail
Target Stores	Department Stores	Gilroy Toyota	Auto Sales - New
Tesla	Auto Sales - New	Costco Wholesale	Department Stores
Union 76 Service Stations	Service Stations	Mcdonald's Restaurants	Restaurants
WalMart Stores	Department Stores	See Grins RV	Misc. Vehicle Sales

Source: MuniServices, LLC / Neumo

City of Gilroy
Citywide Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year End	Local Secured*	Homeowner Exempt Valuation	Net Local Secured	Net Utility	Net Unsecured	Net Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)	Assessed Value as a Percentage of Actual Value
2015-16	$ 6,798,621,370	$ 45,871,000	$6,752,750,370	$ 47,030,836	$ 268,445,327	$7,068,226,533	0.902963	$ -	-	-
2016-17	7,385,130,561	46,578,000	7,338,552,561	42,130,836	273,713,487	7,654,396,884	0.902963	-	-	-
2017-18	7,872,947,886	47,244,400	7,825,703,486	39,330,836	263,667,226	8,128,701,548	0.097037	10,250,699,087	1.261050	79.30%
2018-19	8,445,397,378	48,090,000	8,397,307,378	38,939,704	256,724,279	8,692,971,361	0.097037	11,893,042,148	1.368122	73.09%
2019-20	9,001,686,593	47,874,400	8,953,812,193	32,539,704	257,410,089	9,243,761,986	0.097037	16,306,012,109	1.764002	56.69%
2020-21	9,557,360,668	47,341,000	9,510,019,668	29,739,704	267,854,749	9,807,614,121	0.097037	11,688,408,441	1.191769	83.91%
2021-22	9,968,898,669	46,512,200	9,922,386,469	27,039,704	293,294,693	10,242,720,866	0.097037	14,183,999,567	1.384788	72.21%
2022-23	10,644,717,775	45,712,800	10,599,004,975	39,839,704	289,253,563	10,928,098,242	0.097037	17,373,962,605	1.589843	62.90%
2023-24	11,234,636,496	46,515,000	11,188,121,496	30,437,000	325,291,713	11,543,850,209	0.097037	16,382,162,561	1.419125	70.47%
2024-25	11,761,412,938	46,487,000	11,714,925,938	26,537,000	363,106,171	12,104,569,109	0.097037	18,980,213,717	1.568021	63.77%

Source: Santa Clara County Assessor data, MuniServices, LLC / Neumo

Source: City of Gilroy Publication, 2024 Annual Comprehensive Financial Statement Report

*Local Secured is net of Other Exemptions.

(1) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 02-000.

(2) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

City of Gilroy
Assessed Value of Property by Use Code
Last Eight Fiscal Year[(1)]

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Residential	$ 6,316,795,853	$ 6,846,995,669	$ 7,292,373,081	$ 7,766,498,649	$ 8,150,395,267	$ 8,690,685,653	$ 9,207,065,066	$ 9,207,065,066
Commercial	848,468,930	899,654,270	931,059,983	989,793,738	1,013,695,555	1,051,729,768	1,079,459,529	1,079,459,529
Industrial	483,919,877	479,091,993	538,635,466	667,191,707	638,120,876	667,277,047	721,813,976	721,813,976
Vacant	162,759,148	-	216,844,260	163,403,099	192,863,417	262,155,390	281,375,235	281,375,235
Professional	101,593,308	17,961,578	108,709,436	110,337,229	116,626,048	111,984,310	116,212,988	116,212,988
Institutional	109,350,727	112,041,055	111,348,784	65,615,240	90,554,109	91,711,842	93,584,474	93,584,474
Agriculture	55,688,053	47,135,427	52,895,647	38,226,087	38,372,143	47,049,922	57,468,039	57,468,039
Unitary	17,729,263	38,939,704	32,539,704	29,739,704	27,039,704	39,839,704	30,437,000	30,437,000
Public	16,969,672	104,675,187	23,763,391	31,201,356	37,443,425	37,469,354	39,008,670	39,008,670
Transportation	39,330,836	193,663,876	28,585,319	28,569,765	27,777,083	29,389,066	15,515,172	15,515,172
Recreational	18,281,904	22,525,565	23,001,970	22,973,251	23,200,859	26,346,641	27,906,775	27,906,775
Social	2,107,545	18,604,008	19,463,964	19,888,529	20,081,552	20,568,947	20,849,482	20,849,482
Forestry	1,773,940	6,830,161	6,966,865	7,106,317	7,180,104	7,323,632	7,470,029	7,470,029
Unknown	-	2,149,694	-	-	-	-	-	-
Gross Secured Value	8,174,769,056	8,790,268,187	9,386,187,870	9,940,544,671	10,383,350,142	11,083,531,276	11,698,166,435	11,698,166,435
Unsecured Value	265,619,082	260,824,323	261,877,511	272,030,637	297,421,158	289,253,563	325,291,713	325,291,713
Less Exemptions	311,686,590	358,121,149	404,303,395	404,961,187	438,050,434	444,686,597	479,607,939	479,607,939
Net Taxable Value	$ 8,128,701,548	$ 8,692,971,361	$ 9,243,761,986	$ 9,807,614,121	$ 10,242,720,866	$ 10,928,098,242	$ 11,543,850,209	$11,543,850,209

Source: Santa Clara County Assessor data, MuniServices, LLC / Neumo

Use code categories are based on Santa Clara County Assessor's data

[(1)]Data available since fiscal year 2017-18

City of Gilroy
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2015-16	2016-17	2017-18	2018-19	2019-20
Basic City and County Levy					
City Direct Rate	0.097037	0.097037	0.097037	0.097037	0.097037
All others	0.902963	0.902963	0.902963	0.902963	0.902963
	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
County Retire Levy	0.038800	0.038800	0.038800	0.038800	0.038800
County Library	0.002400	0.002400	0.002400	0.002400	0.002400
VMC 2008	0.008800	0.008600	0.008200	0.007200	0.006900
County Housing Bond 2016	0.000000	0.000000	0.012660	0.010500	0.010000
Gilroy City Bond 2008	0.029000	0.027200	0.026000	0.025000	0.020000
Gilroy Unified School 2002	0.052200	0.050100	0.047800	0.046700	0.044400
Gilroy Unified 11/2008	0.054900	0.051300	0.049100	0.046300	0.054400
Gilroy Unified 2016	0.000000	0.060000	0.055900	0.015400	0.053400
Gavilan Community College 04	0.022600	0.021600	0.020000	0.019200	0.018700
Gavilan Jt CCD 2018	0.000000	0.000000	0.000000	0.000000	0.024400
Lease Debt-Gilroy Unified	0.000000	0.000000	0.000000	0.000000	0.000000
Lease Debt-Gilroy Unified Priorye	0.000000	0.000000	0.000000	0.000000	0.000000
SCVWD-State Water Project	0.005700	0.008600	0.006200	0.004200	0.004100
	0.214400	0.268600	0.267060	0.215700	0.277500
TOTAL TAX RATE	1.214400	1.268600	1.267060	1.215700	1.277500

Source: Santa Clara County Auditor data, MuniServices, LLC / Neumo

Source: City of Gilroy Publication, 2024 Annual Comprehensive Financial Statement Report

This table shows rates for TRA 02-000.

City of Gilroy
Direct and Overlapping Property Tax Rates (Continued)
Last Ten Fiscal Years

	2020-21	2021-22	2022-23	2023-24	2024-25
Basic City and County Levy					
City Direct Rate	0.097037	0.097037	0.097037	0.097037	0.097037
All others	0.902963	0.902963	0.902963	0.902963	0.902963
	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
County Retire Levy	0.038800	0.038800	0.038800	0.038800	0.038800
County Library	0.002400	0.002400	0.002400	0.002400	0.002400
VMC 2008	0.006900	0.006100	0.006300	0.005500	0.005500
County Housing Bond 2016	0.000000	0.012660	0.010800	0.009500	0.004300
Gilroy City Bond 2008	0.019000	0.017500	0.017000	0.015000	0.013000
Gilroy Unified School 2002	0.042800	0.037000	0.028000	0.031600	0.023900
Gilroy Unified 11/2008	0.054100	0.052700	0.050900	0.049000	0.048900
Gilroy Unified 2016	0.055000	0.050900	0.047300	0.045300	0.045100
Gavilan Community College 04	0.018400	0.017900	0.016800	0.015900	0.015800
Gavilan Jt CCD 2018	0.023200	0.024100	0.022600	0.023800	0.021700
Lease Debt-Gilroy Unified	0.000000	0.000000	0.000000	0.000000	0.000000
Lease Debt-Gilroy Unified Priorye	0.000000	0.000000	0.000000	0.000000	0.000000
SCVWD-State Water Project	0.003700	0.005100	0.004400	0.004100	0.004100
	0.264300	0.265160	0.245300	0.240900	0.223500
TOTAL TAX RATE	1.264300	1.265160	1.245300	1.240900	1.223500

Source: Santa Clara County Auditor data, MuniServices, LLC / Neumo

Source: City of Gilroy Publication, 2024 Annual Comprehensive Financial Statement Report

This table shows rates for TRA 02-000.

City of Gilroy
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

	2025		2016	
Taxpayer	Taxable Value ($)	Percent of Total City Taxable Value (%)	Taxable Value ($)	Percent of Total City Taxable Value (%)
Simon Property Group	$ 237,048,346	1.96%	$ 201,180,862	2.85%
Olam West Coast Inc.	85,811,521	0.71%	69,130,585	0.98%
United Natural Foods West Inc.	74,352,025	0.61%	22,854,481	0.32%
Amazon Data Services Inc.	65,664,454	0.54%		
Gilroy Industrial Owner LLC	65,601,359	0.54%		
Joule Gilroy Crossing Owner LLC	61,002,927	0.50%		
Mabury Vineyards LLC	58,244,468	0.48%		
Performance Food Group Inc.	55,264,106	0.46%		
Monterey Gourmet Foods	48,286,685	0.40%	25,104,539	0.36%
Walmart - Real Estate Business Trust	37,119,456	0.31%	31,938,384	0.45%
MG at Gilroy LP	36,140,361	0.30%		
E P & G South Valley Plaza LLC	30,119,008	0.25%		
Gilroy Plant 70	28,231,447	0.23%		
Towman Cadena LLC	27,621,203	0.23%		
Costco Wholesale Corporation	25,554,470	0.21%	20,860,091	0.30%
Syngenta Flowers LLC	25,483,568	0.21%	13,775,897	0.19%
Avery Cypress Pointe LP	23,636,616	0.20%	13,562,417	0.19%
Canciamilla Anthony Trust	23,588,438	0.19%		
Lennar Homes Of California LLC	22,561,551	0.19%		
Target Corporation	22,229,779	0.18%	16,392,277	0.23%
FSC Industrial 10 Manager LLC	19,930,682	0.16%		
First Street Gilroy I LLC	19,298,476	0.16%		
Blue Diamond Hospitality LLC	19,009,053	0.16%		
EHJ9 Property LLC	18,889,502	0.16%		
Sterigenics U S LLC	18,849,524	0.16%	19,021,401	0.27%
Excel Gilroy LLC			72,005,285	1.02%
Inland Western Gilroy I LLC			48,619,795	0.69%
Westwood Drive Fee Owner LLC			39,170,653	0.55%
Tin Inc.			31,118,009	0.44%
7610 Isabella Way LLC			28,708,975	0.41%
Shapell Industries Inc.			20,615,674	0.29%
Meritage Homes Of California I			20,482,477	0.29%
Calpine Gilroy Cogen LP			18,763,617	0.27%
CP6SV LLC			18,600,000	0.26%
Standard Pacific Corporation			18,201,755	0.26%
Lowes HIW Inc.			15,963,315	0.23%
Mission Park Gilroy LLC			15,446,495	0.22%
HD Dev Of Maryland Inc.			15,379,084	0.22%
Gilroy Village Shopping Center			14,746,059	0.21%
KB Home So Bay Inc.			14,469,427	0.20%
Total Top 25 Taxpayers	1,149,539,025	9.50%	826,111,554	11.69%
Total Taxable Value	12,104,569,109	100.00%	7,068,226,533	100.00%

Source: Santa Clara County Assessor data, MuniServices, LLC / Neumo

City of Gilroy
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Tax Levied for the Fiscal Year	Amount Collected	Percent (%) of Levy
2015-16	$ 6,903,278	$ 6,963,327	100.87%
2016-17	7,472,764	7,487,528	100.20%
2017-18	7,941,242	7,941,242	100.00%
2018-19	8,521,868	8,521,868	100.00%
2019-20	9,060,136	9,060,136	100.00%
2020-21	9,598,648	9,598,648	100.00%
2021-22	9,990,898	9,990,898	100.00%
2022-23	10,734,341	10,734,341	100.00%
2023-24	11,311,772	11,311,772	100.00%
2024-25	11,849,042	11,849,042	100.00%

Source: MuniServices, LLC / Neumo
Source: County Auditor-Controller

City of Gilroy
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					
	General Revenue Bonds [4][5][6]	Tax Allocation Bonds	Notes & Loans	Lease Revenue Bonds [4]	Special Assessment Bonds	Subscription Payable
2016	$ 30,335,000	$ -	$ 1,201,155	$ 44,496,134	$ -	$ -
2017	29,550,000	-	1,126,536	42,763,150	-	-
2018	28,745,000	-	1,037,719	40,965,166	-	-
2019	19,350,000	-	948,011	39,097,182	-	-
2020	26,630,459	-	857,428	36,713,218	-	-
2021	25,639,646	-	765,913	33,337,681	-	-
2022	24,616,950	-	673,484	31,366,561	-	890,209
2023	23,561,345	-	580,122	28,177,439	-	625,094
2024	22,471,772	-	485,844	26,110,077	-	706,018
2025	21,347,138	-	911,010	23,920,103	-	1,327,137

Note: Details regarding the outstanding debt can be found in the notes to the basic financial statements.

Source:

[1] Finance Department, City of Gilroy

[2] Finance Department, County of Santa Clara

[3] In 2010, the City issued revenue refunding bonds to refinance an existing installment payment obligation.

[4] Presented net of related premiums, discounts, and adjustments.

[5] GO Bonds Series 2009 refinanced on June 1, 2019 to Series 2019 A.

[6] GO Bonds Series 2010 refinanced on November 5, 2019 to Series 2019 B.

[7] 2021 Wastewater Revenue Bonds Series A issued June 2021.

City of Gilroy
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

Fiscal Year	Business-Type Activities: Wastewater Revenue Bonds [3] [7]	Business-Type Activities: Subscription Payable	Total Primary Government [1]	% of Property Net Assessed Value [2]	Debt per Capita
2016	$ 16,491,551	$ -	$ 92,523,840	1.31%	1,677
2017	14,393,793	-	87,833,479	1.15%	1,570
2018	12,206,034	-	82,953,919	1.02%	1,484
2019	9,928,276	-	69,323,469	0.90%	1,391
2020	7,545,517	-	71,746,622	0.78%	1,257
2021	57,865,509	-	117,608,749	1.20%	1,963
2022	55,093,508	22,500	112,640,712	1.10%	1,892
2023	52,494,265	-	105,438,264	1.07%	1,755
2024	51,610,022	-	101,383,733	0.93%	1,661
2025	50,695,779	13,474	98,201,167	0.81%	1,579

Note: Details regarding the outstanding debt can be found in the notes to the basic financial statements.

Source:

[1] Finance Department, City of Gilroy

[2] Finance Department, County of Santa Clara

[3] In 2010, the City issued revenue refunding bonds to refinance an existing installment payment obligation.

[4] Presented net of related premiums, discounts, and adjustments.

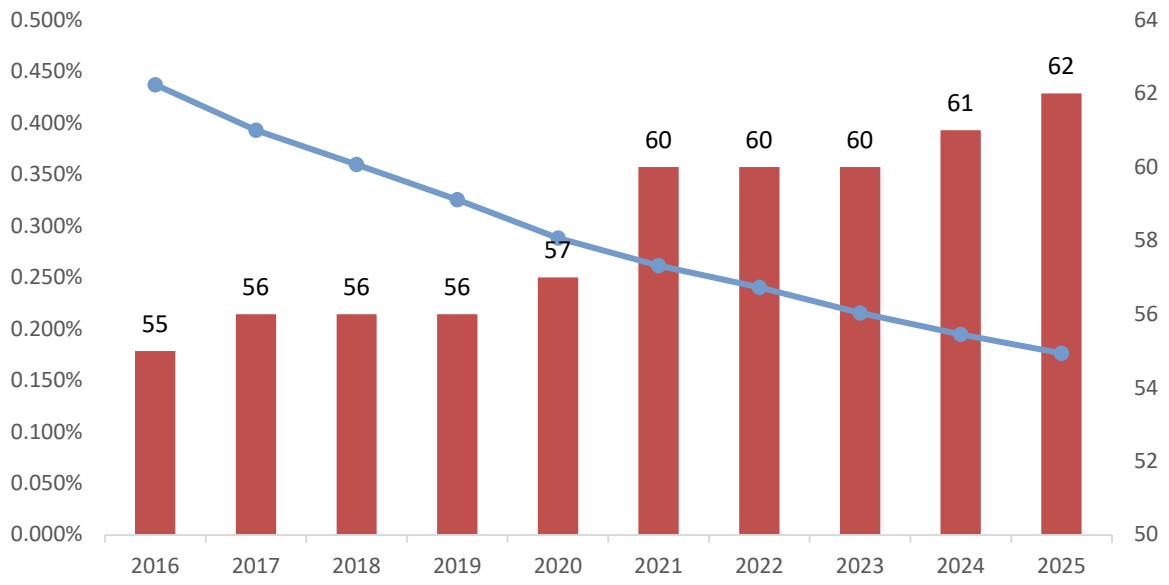
[5] GO Bonds Series 2009 refinanced on June 1, 2019 to Series 2019 A.

[6] GO Bonds Series 2010 refinanced on November 5, 2019 to Series 2019 B.

[7] 2021 Wastewater Revenue Bonds Series A issued June 2021.

City of Gilroy
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	OUTSTANDING GENERAL BONDED DEBT: General Obligation Bonds [4]	OUTSTANDING GENERAL BONDED DEBT: Tax Allocation Bonds	OUTSTANDING GENERAL BONDED DEBT: Total [1]	Net Assessed Value [2]	Population [3]	General Bonded Debt to Net Assessed Value	Ratio of General Bonded Debt Per Capita
2016	$ 30,893,489		$ 30,893,489	$ 7,068,226,533	55,170	0.437%	560
2017	30,080,362		30,080,362	7,654,396,884	55,936	0.393%	538
2018	29,247,235		29,247,235	8,128,701,548	55,615	0.360%	526
2019	28,305,209		28,305,209	8,692,971,361	55,928	0.326%	506
2020	26,630,459		26,630,459	9,243,761,986	57,084	0.288%	467
2021	25,639,646		25,639,646	9,807,614,121	59,920	0.261%	428
2022	24,616,950		24,616,950	10,242,720,866	59,520	0.240%	414
2023	23,561,345		23,561,345	10,928,098,242	60,078	0.216%	392
2024	22,471,772		22,471,772	11,543,850,209	61,033	0.195%	368
2025	21,347,138		21,347,138	12,104,569,109	62,205	0.176%	343



Source: [1] State of California, Finance Department.

[2] This is the amount restricted for the COP debt service principal payments.

City of Gilroy
Schedule of Direct and Overlapping Bonded Debt
June 30, 2025

2024-25 Assessed Valuation:	$12,151,056,109		
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2025	% Applicable (1)	City's Share of Debt 6/30/25
Santa Clara County	$ 1,217,905,000	1.747%	$ 21,276,800
Gavilan Joint Community College District	229,425,000	25.290%	58,021,583
Gilroy Unified School District	331,587,495	82.368%	273,121,988
City of Gilroy	**21,347,138**	**100.000%**	**21,347,138**
City of Gilroy Community Facilities District No. 2000-1	3,713,003	100.000%	3,713,003
Santa Clara Valley Water District Benefit Assessment District	24,940,000	1.747%	435,702
Santa Clara Valley Water District Parcel Tax Revenue Bonds	119,365,000	1.747%	2,085,307
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			$ 380,001,520
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Santa Clara County General Fund Obligations	$1,002,458,930	1.747%	$ 17,512,958
Santa Clara County Pension Obligation Bonds	317,654,990	1.747%	5,549,433
Santa Clara County Board of Education Certificates of Participation	12,072,417	1.747%	210,905
Gilroy Unified School District Certificates of Participation	19,470,000	82.368%	16,037,050
City of Gilroy General Fund Obligations (Lease Revenue Bonds)	**23,920,103**	**100.000%**	**23,920,103**
Subscriptions Obligations	**1,327,137**	**100.000%**	**1,327,137**
City of Gilroy Loans Payable	**911,010**	**100.000%**	**911,010**
Santa Clara County Vector Control Certificates of Participation			-
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 65,468,596
Less: Santa Clara County supported obligations			42,277
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 65,426,319
TOTAL DIRECT DEBT			**$ 47,505,388**
TOTAL GROSS OVERLAPPING DEBT			$ 397,964,728
TOTAL NET OVERLAPPING DEBT			$ 397,922,451
GROSS COMBINED TOTAL DEBT			$ 445,470,116 (2)
NET COMBINED TOTAL DEBT			$ 445,427,839

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2024-25 Assessed Valuation:	
Direct Debt ($21,347,138)	**0.18%**
Total Direct and Overlapping Tax and Assessment Debt	3.13%
Total Direct Debt ($45,657,897)	**0.39%**
Gross Combined Total Debt	3.67%
Net Combined Total Debt	3.67%

Source: MuniServices, LLC / Neumo, California Municipal Statistics, Inc.

City of Gilroy
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	2016	2017	2018	2019	2020
Assessed valuation	$ 7,114,097,533	$ 7,700,974,884	$ 8,175,945,948	$ 8,741,061,361	$ 9,291,636,386
Debt Limit Rate [1]	15%	15%	15%	15%	15%
Debt limit	1,067,114,630	1,155,146,233	1,226,391,892	1,311,159,204	1,393,745,458
Total net debt applicable to limit:					
General obligation bonds	30,335,000	29,550,000	28,745,000	27,983,538	27,087,578
Legal debt margin	$ 1,036,779,630	$ 1,125,596,233	$ 1,197,646,892	$ 1,283,175,666	$ 1,366,657,880
Total debt applicable to the limit as a percentage of debt limit	2.9%	2.6%	2.4%	2.2%	2.0%

(Continued)

[1] Section 1108 of the City of Gilroy Charter limits the general obligation bonds of the City to 15% of total assessed value of real and personal property within the City.

Source: County of Santa Clara, Department of Finance

City of Gilroy
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2021	2022	2023	2024	2025
Assessed valuation	$ 9,807,614,121	$10,242,720,866	$10,928,098,242	$11,543,850,209	$12,104,569,109
Debt Limit Rate [1]	15%	15%	15%	15%	15%
Debt limit	1,471,142,118	1,536,408,130	1,639,214,736	1,731,577,531	1,815,685,366
Total net debt applicable to limit:					
General obligation bonds	25,639,646	24,616,950	23,561,345	22,471,772	21,347,138
Legal debt margin	$ 1,445,502,472	$ 1,511,791,180	$ 1,615,653,391	$ 1,709,105,759	$ 1,794,338,228
Total debt applicable to the limit as a percentage of debt limit	1.8%	1.7%	1.6%	1.3%	1.2%

(End)

[1] Section 1108 of the City of Gilroy Charter limits the general obligation bonds of the City to 15% of total assessed value of real and personal property within the City.

Source: County of Santa Clara, Department of Finance

City of Gilroy
Wastewater System - Historical Debt Service Coverage
Last Ten Fiscal Years

	Fiscal Year				
	2016	2017	2018	2019	2020
Gross revenues:					
Charges for services	$ 11,773,938	$ 12,644,730	$ 12,720,141	$ 12,904,657	$ 12,872,189
Investment income (loss)	301,482	284,297	410,172	934,590	828,615
Developer impact fees*	4,452,590	3,098,889	2,483,414	2,234,082	1,608,755
Total gross revenues	16,528,010	16,027,916	15,613,727	16,073,329	15,309,559
Operating expenses:					
Operations	7,314,113	7,454,202	7,466,650	8,339,489	8,411,647
Billing	612,551	594,654	618,400	668,982	730,892
Administration	500,398	472,465	558,846	706,101	667,733
Total operating expenses	8,427,062	8,521,321	8,643,896	9,714,572	9,810,272
Net Revenues	8,100,948	7,506,595	6,969,831	6,358,757	5,499,287
Debt					
2010 Sewer revenue bonds (net debt service)	$ 2,566,550	$ 2,558,688	$ 2,562,738	$ 2,557,625	$ 2,557,750
2021A Sewer revenue bonds					
Total net debt service	$ 2,566,550	$ 2,558,688	$ 2,562,738	$ 2,557,625	$ 2,557,750
Debt service coverage (1.20x requirement)	3.16	2.93	2.72	2.49	2.15

*Developer impact fees for sewer is reported in a capital projects fund before FY2025

City of Gilroy
Wastewater System - Historical Debt Service Coverage (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2021	2022	2023	2024	2025
Gross revenues:					
Charges for services	$ 12,702,398	$ 12,912,113	$ 13,037,892	$ 14,229,982	$ 15,234,796
Investment income (loss)	51,203	64,441	825,083	3,128,406	2,492,980
Developer impact fees*	1,764,901	3,552,755	1,122,624	2,178,317	1,153,573
Total gross revenues	14,518,502	16,529,309	14,985,599	19,536,705	18,881,349
Operating expenses:					
Operations	9,323,262	8,254,822	7,535,006	9,121,834	10,629,942
Billing	678,651	777,901	924,907	1,001,003	1,043,382
Administration	720,726	789,602	775,649	1,215,405	1,282,721
Total operating expenses	10,722,639	9,822,325	9,235,562	11,338,242	12,956,045
Net Revenues	3,795,863	6,706,984	5,750,037	8,198,463	5,925,304
Debt					
2010 Sewer revenue bonds (net debt service)	$ 2,510,417	$ 2,561,500	$ 2,501,000	$ -	$ -
2021A Sewer revenue bonds			1,533,500	2,244,000	2,244,400
Total net debt service	$ 2,510,417	$ 2,561,500	$ 4,034,500	$ 2,244,000	$ 2,244,400
Debt service coverage (1.20x requirement)	1.51	2.62	1.43	3.65	2.64

*Developer impact fees for sewer is reported in a capital projects fund before FY2025

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City of Gilroy
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Net Taxable Assessed Values	Per Capita Taxable Property Values	Personal Income	Per Capita Income	City Unemployment Rate (%) (2)	County Population (1)	Public School Enrollment (3)
2015-16	55,170	$ 7,068,226,533	$ 128,117	$ 1,648,534,770	$ 29,881	5.7%	-	-
2016-17	55,936	7,654,396,884	136,842	1,720,759,168	30,763	4.9%	-	-
2017-18	55,615	8,128,701,548	146,160	1,817,498,200	32,680	3.7%	1,956,598	11,834
2018-19	55,928	8,692,971,361	155,431	1,927,859,413	34,470	2.5%	1,954,282	11,652
2019-20	57,084	9,243,761,986	161,933	2,046,518,484	35,851	13.9%	1,961,969	11,672
2020-21	56,599	9,807,614,121	173,282	2,190,227,917	38,697	8.6%	1,934,171	10,248
2021-22	59,269	10,242,720,866	172,818	2,634,388,512	44,448	2.7%	1,894,783	10,064
2022-23	60,078	10,928,098,242	181,899	3,114,690,441	51,844	3.4%	1,886,079	10,972
2023-24	61,033	11,543,850,209	189,141	3,535,899,249	57,934	3.8%	1,903,198	10,784
2024-25	62,205	12,104,569,109	194,592	3,885,565,655	62,464	4.7%	1,922,259	10,768

Source: Santa Clara County Assessor data, MuniServices, LLC / Neumo

Source: City of Gilroy Publication, 2024 Annual Comprehensive Financial Statement Report

(-) Data unavailable.

1.) Population Projections are provided by the California Department of Finance Projections.

2.) Unemployment and Labor Force Data are provided by the EDD's Labor Market Information Division.

3.) Student Enrollment reflects the total number of students enrolled in the Gilroy Unified School District. Any other school districts within the City are not accounted for in this statistic.

City of Gilroy
Principal Employers
Last Fiscal Year and Nine Years Ago

	2025			2016		
Business Name	Number of Employees	Rank	Percent of Total Employment (%)	Number of Employees	Rank	Percent of Total Employment (%)
Gilroy Unified School District	1,119	1	3.85%			
Christopher Ranch LLC	691	2	2.37%	650	1	2.47%
Saint Louise Regional Hospital	678	3	2.33%	460	3	1.75%
Olam International (Formerly ConAgra-Gilroy Foods) [a]	450	4	1.55%	350	5	1.33%
Community Solutions	402	5	1.38%			
Costco Wholesale	326	6	1.12%	272	6	1.03%
Walmart Supercenter	286	7	0.98%	395	4	1.50%
City of Gilroy	286	8	0.98%			
Gavilan College	244	9	0.84%	219	10	0.83%
Gilroy Health Care and Rehabilitation	182	10	0.63%			
Gilroy Gardens Theme Park (formerly Bonfante)				499	2	1.90%
Monterey Gourmet Foods				270	7	1.03%
Rebekah Childrens Services				240	8	0.91%
United Natural Goods, Inc (UNFI)				230	9	0.87%
Total Top 10 Employers	4,664		16.03%	3,585		13.62%
Total City Labor Force [1]	29,100					

Source: MuniServices, LLC / Neumo

Source: City of Gilroy Publication, 2016 Annual Comprehensive Financial Statement Report

[1] Total City Labor Force provided by EDD Labor Force Data.

Notes:

Results based on direct correspondence with city's local businesses.

[a] No response received from employer; prior year headcount used.

City of Gilroy
Full-Time Equivalent City Employees
By Function / Program
Last Ten Fiscal Years

Department	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administration	5	5	6	6	7	7	8	8	9	10
City Council and Mayor	7	7	7	7	7	7	7	7	7	7
Community Development	21	18	18	21	23	20	23	21	25	23
Finance	13	11	13	14	14	11	13	12	15	15
Fire	39	35	36	37	37	43	44	40	42	46
Fleet and Facilities	10	10	10	10	10	7	10	8	9	8
Human Resources	4	4	4	4	5	4	4	4	5	5
Information Technology	2	3	3	4	3	4	4	4	6	6
Police	94	87	92	94	96	98	99	90	91	95
Public Works	43	40	42	54	57	48	49	45	44	43
Recreation	12	10	11	11	11	4	4	4	5	4
Utilities*									3	5
Total	250	230	242	262	270	253	265	243	261	267

(a) Beginning in fiscal year 2013-2014, the amount represents the number of filled positions by departments. Prior to fiscal year 2013-14, the amounts noted represent budgeted positions.

*Beginning in Fiscal year 2023-2024 Utilities is no longer part of Public works and is now its own department.

City of Gilroy
Operating Indicators By Function / Program
Last Ten Fiscal Years

Function	Fiscal Year 2016	2017	2018	2019	2020
General Government					
Number of Business Licenses Issued	2,685	3,166	3,800	3,965	3,160
Total Volunteer Service Hours	34,723	33,855	31,505	28,460	18,465
Total City-Wide Training Hours Provided	2,356	3,112	3,200	2,688	2,892
Total Vehicle Work Orders Generated	2,629	2,478	1,428	1,327	1,514
Total Facilities Work Orders Generated	1,445	1,317	1,428	1,411	1,488
Public Safety					
Police					
Number of 911 Calls Received	21,044	23,744	23,484	22,235	23,578
Number of Police Calls for Service	62,071	63,887	63,073	64,134	58,354
Number of Investigations Assigned to Detectives	913	845	815	986	1,023
Number of Case Reports Processed	12,621	12,320	12,478	11,075	11,020
Fire					
Total Calls for Service	5,007	5,441	5,374	5,555	6,243
Total Fire Calls	223	223	265	282	336
Total Emergency Medical Aid Calls	3,323	3,735	3,707	3,739	4,065
Community Development					
Number of Building Inspections Completed	24,500	23,623	17,991	17,450	14,618
Number of Building Permits Processed	2,197	1,903	1,970	2,050	1,300
Number of Fire Code Permits Issued	839	476	1,060	1,230	885
Public Works					
Square Feet of Chip/Cape/Slurry Seal Completed	274,479	712,504	533,397	1,430,477	1,547,477
Linear Feet of Preventive Cleaning	785,288	707,379	854,304	897,479	849,228
Million Gallons of Wastewater Treated per Day	5.97	7.60	6.16	6.66	6.18
Million Gallons of Municipal Water Produced per Day	5.94	6.46	7.07	6.80	7.20
Million Gallons of Wastewater Flow per Day (COG)	3.59	4.84	3.87	4.13	3.73
Number of Utility Billing Customers	14,300	14,549	14,870	15,133	15,218
Recreation					
Number of Registrations Processed	5,856	5,807	4,952	4,737	4,232
Number of Meals Provided to Seniors Annually	21,351	22,566	23,815	25,103	21,979

Source: City of Gilroy, Various City Departments

* Statistic not available

City of Gilroy
Operating Indicators By Function / Program (Continued)
Last Ten Fiscal Years

Function	Fiscal Year 2021	2022	2023	2024	2025
General Government					
Number of Business Licenses Issued	4,319	3,673	3,335	3,511	3,712
Total Volunteer Service Hours	2,521	12,886	17,588	20,187	13,818
Total City-Wide Training Hours Provided	1,038	1,173	1,262	4,020	3,755
Total Vehicle Work Orders Generated	1,904	1,880	1,686	1,349	1,421
Total Facilities Work Orders Generated	1,405	1,416	1,381	1,277	1,356
Public Safety					
Police					
Number of 911 Calls Received	22,740	24,837	25,536	23,573	21,091
Number of Police Calls for Service	44,016	62,323	65,459	66,106	72,918
Number of Investigations Assigned to Detectives	971	1,101	745	271	209
Number of Case Reports Processed	10,095	9,771	8,205	11,802	11,316
Fire					
Total Calls for Service	6,299	7,092	7,117	7,121	6,879
Total Fire Calls	381	435	273	347	334
Total Emergency Medical Aid Calls	4,089	4,866	5,027	5,078	4,743
Community Development					
Number of Building Inspections Completed	15,652	16,056	15,578	14,078	13,387
Number of Building Permits Processed	1,361	1,784	1,843	2,204	2,267
Number of Fire Code Permits Issued	474	695	475	440	428
Public Works					
Square Feet of Chip/Cape/Slurry Seal Completed	1,451,239	3,118,472	3,354,152	2,413,610	2,413,610
Linear Feet of Preventive Cleaning	632,280	692,143	716,194	866,122	890,700
Million Gallons of Wastewater Treated per Day	6.14	6.03	7.00	6.83	6.53
Million Gallons of Municipal Water Produced per Day	7.60	6.74	6.24	4.95	6.57
Million Gallons of Wastewater Flow per Day (COG)	3.49	3.16	3.86	3.33	6.53
Number of Utility Billing Customers	15,311	15,483	15,555	15,668	15,790
Recreation					
Number of Registrations Processed	2,380	6,875	9,224	14,789	5,983
Number of Meals Provided to Seniors Annually	19,525	22,570	22,961	28,072	22,613

Source: City of Gilroy, Various City Departments

* Statistic not available

City of Gilroy
Capital Assets By Function
Last Ten Fiscal Years

Function	Fiscal Year 2016	2017	2018	2019	2020
General Government					
City Buildings	55	55	57	57	57
Public Safety					
Police					
Police Stations	1	1	1	1	1
Police Vehicles	86	87	83	103	109
Fire					
Fire Stations	3	3	3	3	3
Fire Vehicles	20	21	20	19	19
Public Works					
Park sites	16	16	19	19	20
Centerline Miles of Streets	119	126	151	166	166
Number of Streetlights	4,773	4,794	4,841	4,861	4,885
Miles of Storm Trunk Mains*	31	37	39	40	40
Miles of Sewer Mains	111	151	160	161	163
Treatment Plant Dry Weather Flow Capacity (MGD)	9	9	9	9	9
Water Meters in Municipal Service Area	14,669	14,783	14,450	15,133	15,220
Miles of Water Mains	152	204	205	210	205
Number of Fire Hydrants	2,265	2,290	1,948	2,229	2,187

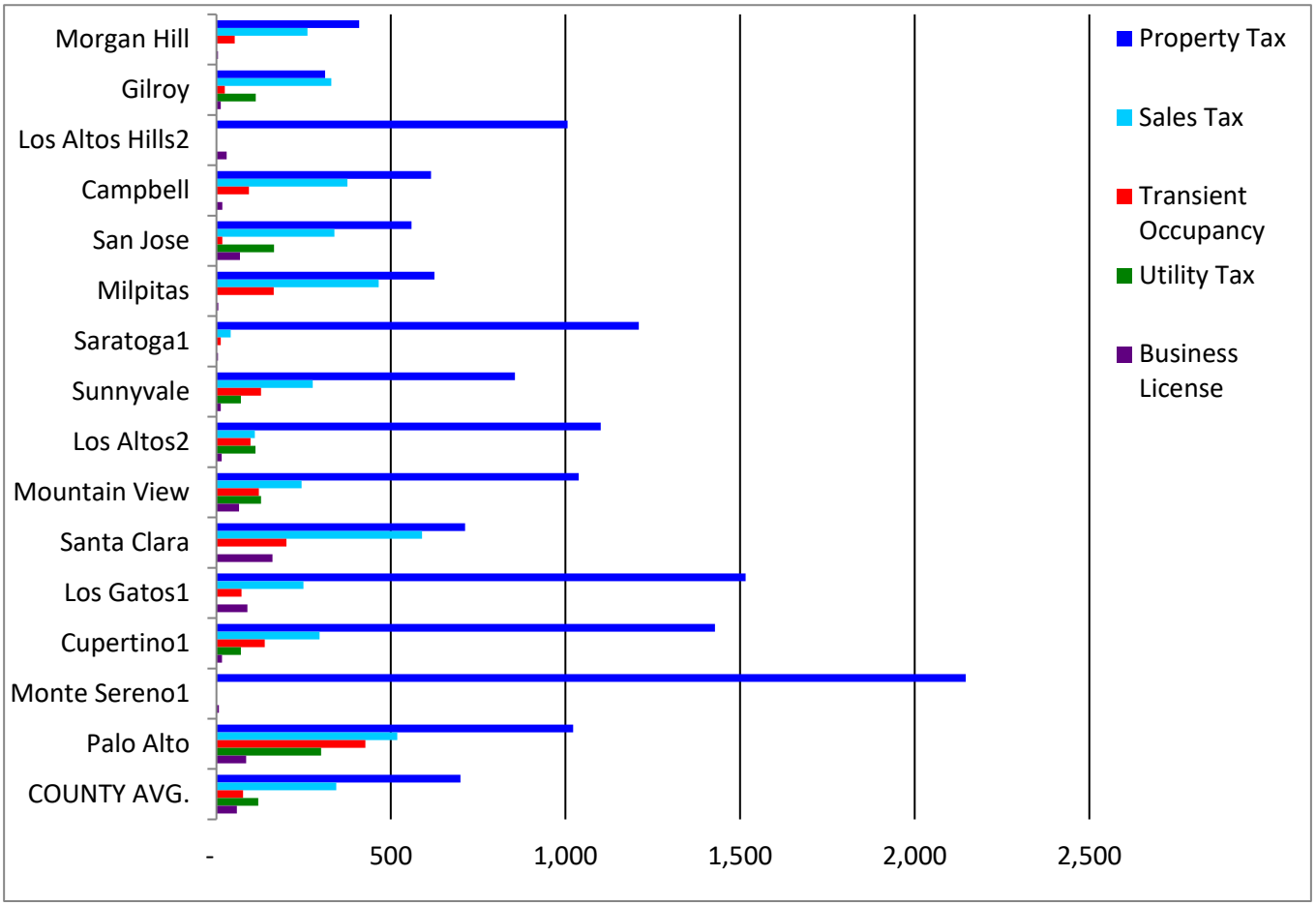
* Note that the increase in "Miles of Storm Trunk Mains" is due to the accurate tracking of data in the Cityworks GIS system.
Source: City of Gilroy, Various City Departments.

City of Gilroy
Capital Assets By Function (Continued)
Last Ten Fiscal Years

Function	Fiscal Year 2021	2022	2023	2024	2025
General Government					
City Buildings	57	57	57	57	58
Public Safety					
Police					
Police Stations	1	1	1	1	1
Police Vehicles	109	113	117	122	92
Fire					
Fire Stations	3	3	3	3	3
Fire Vehicles	20	20	21	21	23
Public Works					
Park sites	21	21	21	23	23
Centerline Miles of Streets	166	168	125	127	126
Number of Streetlights	4,295	4,315	4,320	4,322	4,861
Miles of Storm Trunk Mains*	40	131	131	131	141
Miles of Sewer Mains	162	168	168	168	168
Treatment Plant Dry Weather Flow Capacity (MGD)	9	9	9	9	9
Water Meters in Municipal Service Area	15,266	15,595	15,553	15,822	15,897
Miles of Water Mains	219	209	213	219	219
Number of Fire Hydrants	2,293	2,317	2,321	2,321	2,321

* Note that the increase in "Miles of Storm Trunk Mains" is due to the accurate tracking of data in the Cityworks GIS system.
Source: City of Gilroy, Various City Departments

City of Gilroy
Property Tax, Sales Tax, Transient Occupancy Tax, and Business License Tax Per Capita
Santa Clara County Cities
Fiscal Year 2024-2025



City	Population	Property Tax		Sales Tax		Transient Occupancy		Utility Tax		Business License	
		Amount	Per capita	Amount	Per capita	Amount	Per capita	Amount	Per capita	Amount	Per capita
Morgan Hill	46,599	$ 19,054,967	409	$ 12,189,787	262	$ 2,471,202	53	$ -	-	$ 216,241	5
Gilroy	**62,205**	**19,409,424**	**312**	**20,478,194**	**329**	**1,509,597**	**24**	**7,014,280**	**113**	**800,040**	**13**
Los Altos Hills[2]	8,476	8,527,387	1,006	-	-	-	-	-	-	255,405	30
Campbell	43,281	26,637,000	615	16,258,133	376	4,050,000	94	-	-	735,200	17
San Jose	979,415	547,588,652	559	331,430,656	338	17,212,205	18	161,886,034	165	66,419,486	68
Milpitas	81,915	51,181,370	625	38,101,357	465	13,470,736	164	-	-	501,907	6
Saratoga[1]	30,486	36,882,155	1,210	1,271,000	42	400,000	13	-	-	159,920	5
Sunnyvale	159,673	136,562,806	855	44,176,622	277	20,415,260	128	11,327,278	71	2,003,085	13
Los Altos[2]	31,255	34,410,697	1,101	3,442,623	110	3,065,493	98	3,517,437	113	474,551	15
Mountain View	86,513	89,769,687	1,038	21,176,755	245	10,564,518	122	11,083,814	128	5,676,597	66
Santa Clara	134,587	95,931,933	713	79,352,441	590	26,992,989	201	-	-	21,677,378	161
Los Gatos[1]	33,355	50,566,865	1,516	8,330,978	250	2,417,630	72	-	-	2,975,721	89
Cupertino[1]	59,831	85,425,468	1,428	17,694,142	296	8,305,933	139	4,214,212	70	995,990	17
Monte Sereno[1]	3,501	7,514,430	2,146	6,241	2	-	-	-	-	28,099	8
Palo Alto	67,900	69,401,590	1,022	35,218,990	519	28,970,382	427	20,393,512	300	5,835,235	86
COUNTY AVG.	121,933	$ 85,257,629	699	$ 41,941,861	344	$ 9,323,063	76	$ 14,629,104	120	$ 7,250,324	59

Source: ACFR /City websites

[1] Property tax amount includes Santa Clara County Central Fire District FY24-25

[2] FY 23-24 Actuals

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Honorable Mayor and the Members of the City Council
of the City of Gilroy
Gilroy, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gilroy (the "City"), as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pun Group, LLP

Santa Ana, California
March 27, 2026

City of Gilroy
STAFF REPORT

Agenda Item Title:	**Council Consideration of Placing a Potential Sales Tax Ballot Measure for the November 2026 Election Ballot**
Meeting Date:	April 6, 2026
From:	Matt Morley, City Administrator
Department:	Administration
Submitted by:	Harjot Sangha, Finance Director
Prepared by:	Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS: Develop a Financially Resilient Organization
Ensure Neighborhood Equity from City Services
Maintain and Improve City Infrastructure

RECOMMENDATION

1. Council discussion and direction on whether to pursue the placement of a sales tax ballot measure before the Gilroy community for the 2026 General Election.
2. If proceeding with placement, then determine whether to pursue it as general tax or special sales tax.

EXECUTIVE SUMMARY

The City of Gilroy continues to face increasing fiscal pressure driven by rising service demands, escalating costs, and longstanding infrastructure and public safety needs. In 2024, the City Council placed a dedicated public safety sales tax measure before voters as a special tax, requiring two-thirds voter approval, which received encouraging results; however, it did not obtain the required threshold. While that effort focused specifically on police and fire services, the City's current financial environment reflects broader and more complex needs that extend beyond public safety alone.

Public safety remains a critical priority, such as staffing for the Santa Teresa Fire Station; however, the City is also experiencing increasing cost pressures and needs in areas such as public works, traffic and pedestrian safety, and infrastructure maintenance. These competing demands continue to strain the City's General Fund, which is the primary source of discretionary funding for most municipal services.

Given these conditions, staff is bringing forward for discussion and direction from the City Council on whether to place a ballot measure before the community at the November 2026 general election. If so, whether to pursue a more flexible funding approach through a general transaction and use tax, which would require majority voter approval and allow revenues to be used across a wider range of City services. While a general tax does not legally restrict how funds are spent, staff proposes that the Council establish a clear spending framework and accountability measures to ensure alignment with community priorities.

BACKGROUND

As previously presented to the City Council, including in the April 8, 2024, staff report, the City has not fully recovered staffing levels following the 2009 recession and subsequent fiscal impacts of the COVID-19 pandemic. At the same time, service expectations and operational demands have continued to increase. Public safety services alone account for approximately 64% of General Fund expenditures, reflecting both their importance and the financial pressure they place on limited resources.

Prior analyses identified significant staffing and infrastructure needs within both the Police and Fire Departments, including additional sworn officers, dispatch personnel, and fire personnel required to meet service demands and adequately staff existing and future fire stations. These needs remain valid today and continue to represent an unfunded obligation.

However, since 2024, the City's fiscal challenges have broadened. Inflationary pressures, increased service costs (for example, services provided by the County), and ongoing infrastructure needs—particularly related to streets, parks, traffic safety, and other public facilities—have further constrained the City's ability to maintain current service levels, let alone expand them.

ANALYSIS

The core policy question before the City Council is whether to pursue a local transactions and use tax (local sales tax) measure and, if so, how best to structure it to meet the City's current and future needs.

Current and Future Needs

Fire
Because the fire service operates 24 hours a day, every day of the year, staffing a single position around the clock requires more than one person. After accounting for shifts, time off, training, and vacancies, it takes approximately 3.76 firefighters to cover one position continuously. Since each fire engine is staffed with three personnel—a captain, an engineer, and a firefighter/paramedic—it takes about 11 to 12 firefighters to fully staff one fire company year-round.

Today, the City operates three fire companies. Expanding service to a fourth company at the Santa Teresa station would increase staffing needs to at least 45 personnel. This expansion would improve response times, enhance coverage in growing areas of the city, and reduce service disruptions, such as temporary station closures and reliance on overtime. Adding a fifth company (a truck/aerial unit at Chestnut station) would require approximately 57 personnel, including relief. This additional unit would expand the Department's capabilities for more complex emergencies, including multi-story structure fires, commercial incidents, rescue operations, and specialized ventilation needs, while also improving overall service levels and insurance ratings. As the Department grows from three to four, and eventually five companies, it is also recommended to add a Deputy Fire Chief to maintain effective management, oversight, and coordination of operations, training, and long-term planning.

The staffing model demonstrates that expanding fire service in Gilroy—particularly with a fourth station—requires additional personnel to ensure safe, reliable, and responsive emergency services for the community.

Position	Currently Authorized	Five Fire Company Deployment Staffing Required	Required Relief for Five Fire Companies	Total Positions Needed	Additional Positions Needed
Fire Captain	12	15	0	**15**	3
Engineer	9	15	0	**15**	6
Firefighter/ Paramedic	19	15	12	**27**	8
Total Positions	40	45	12	**57**	17

Estimated Cost = $3.6 million/year

Police
The Police Department continues to experience staffing gaps relative to both historical service

levels and updated workload expectations. As identified in the April 2024 staffing analysis, the Department requires additional sworn, field support, and specialized support personnel to meet current service demands.

The Department remains below recommended staffing levels by multiple positions across classifications, including patrol officers, communications staff, and records personnel. These gaps impact the Department's ability to respond proactively to community needs, maintain reasonable workloads, and adapt to increasing service demands driven by population growth, regulatory requirements, and evolving public safety expectations.

While the City has managed these constraints through operational adjustments, continued reliance on existing staffing levels is not sustainable without impacting service delivery, response times, or officer workload and retention.

Position Type	Recommended Staffing Level	FY26 Authorized Staffing Level	Additional Positions Needed
Sergeant	12	11	1
Corporal	9	9	0
Police Officer	51	45	6
Community Service Officer (CSO)	5	4	1
Public Safety Communicators	20	14	6
Records	9	8	1

Estimated Cost = $2.5 million/year

Public Works

In addition to public safety staffing needs, there is also a critical need for capital investment in public works infrastructure that directly supports the safety of residents on our streets and in our neighborhoods. This includes improvements such as safer intersections, enhanced crosswalks, traffic calming measures, and Safe Routes to School enhancements that protect students and families traveling to and from school. Investments in sidewalk repairs, bike lane improvements, street lighting, and signal upgrades all play a vital role in reducing accidents and improving overall safety for pedestrians, cyclists, and drivers. While these needs are well understood, limited funding has constrained the City's ability to implement these safety-focused projects at the necessary pace, resulting in a backlog of improvements essential to protecting the community.

Other Needs

The aforementioned analysis has outlined the needs of three core Departments that rely on discretionary funding to deliver services and projects. Other Departments across the organization are no exception to the growing demands and have unmet needs to provide optimal levels of service.

In addition to identified staffing and operational needs, the City faces a growing but not yet fully quantified liability related to deferred facility maintenance. Many of the City's public assets—including streets, parks, recreation facilities, and the Civic Center campus—are aging and require ongoing investment to remain safe, functional, and aligned with community expectations. While routine maintenance continues, limited funding has constrained the City's ability to proactively address lifecycle replacements, system upgrades, and major repairs. As a result, deferred maintenance needs have accumulated over time and are expected to increase as facilities continue to age. Council has recently taken action to establish a Capital Infrastructure Reserve (CIR) and a related funding policy to begin addressing capital infrastructure needs. It is important to note that these anticipated expenses constrain the City's ability to incur additional operating costs supporting public safety.

The City Council has made economic development a clear priority by establishing a dedicated Economic Development Department and hiring an Economic Development Director to advance business attraction, retention, and long-term revenue growth. These efforts are foundational and expected to yield meaningful fiscal and community benefits over time; however, by nature, economic development is a long-term strategy that requires sustained investment and patience before it can begin generating significant new revenues. In contrast, pursuing a quarter-cent transactions and use tax would provide an immediate and locally controlled funding source, enabling the City to address pressing service delivery needs in the near term while continuing to build a stronger economic base for the future.

The table below presents the City's current sales tax forecast through FY32, including the projected year-over-year percent change and corresponding dollar change. As shown, the base forecast reflects relatively modest growth over time, generally aligned with inflationary (CPI-level) increases rather than significant expansion in the local economy.

To illustrate the potential impact of economic development efforts, staff applied a simplified, hypothetical assumption of incremental growth above the baseline, beginning at 1% in FY28 and gradually increasing to 5% by FY32. This scenario reflects a reasonable "long game" outcome where sustained economic development efforts begin to yield measurable increases in sales tax revenue over time.

Fiscal Year	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32
Base Sales Tax Forecast	$ 20,478,000	$ 20,062,000	$ 20,248,000	$ 20,580,000	$ 20,873,000	$ 21,121,000	$ 21,319,000	$ 21,491,000
% Change (Base)	-	-2.00%	0.90%	1.60%	1.40%	1.20%	0.90%	0.80%
$ Change (Base)	-	(416,000)	186,000	332,000	293,000	248,000	198,000	172,000
Added Growth from Econ Dev. (%)	-	-	-	1.00%	2.00%	3.00%	4.00%	5.00%
Added Revenue from Econ Dev. ($)	-	-	-	205,800	417,460	633,630	852,760	1,074,550
Total w/ Econ Dev Impact	**$ 20,478,000**	**$ 19,646,000**	**$ 20,434,000**	**$ 21,117,800**	**$ 21,583,460**	**$ 22,002,630**	**$ 22,369,760**	**$ 22,737,550**

As can be seen, even under this optimistic growth scenario, it would take approximately 4–5 years to generate meaningful incremental revenue, and by FY32, the additional annual revenue—while helpful—would still be insufficient on its own to fully fund major service expansions such as staffing a new fire station. This analysis underscores that while economic development is a critical long-term strategy for strengthening the City's revenue base, it does not provide an immediate or sufficient solution to address the City's current and near-term service and staffing needs.

In summary, the City's identified service, staffing, and infrastructure needs—across public safety, public works, and facilities—clearly exceed the resources currently available within the General Fund. These are not new challenges, but they have become more pronounced over time and are increasingly difficult to address through existing funding alone. Given this reality, it is prudent for the City Council and the community to consider whether placing a transactions-and-use tax measure on the ballot is an appropriate step toward addressing some core priorities. Doing so would allow voters the opportunity to weigh in on a locally controlled funding solution to sustain and enhance the services and infrastructure that are fundamental to the community's safety, quality of life, and long-term stability.

Potential Local Sales Tax Measure

A transaction and use tax, commonly referred to as a local sales tax, is paid on taxable goods purchased within the City and is applied to both residents and non-residents. Because of Gilroy's regional retail draw, a significant portion of this revenue is generated by individuals who do not reside in the City, which helps distribute the financial burden more broadly. Based on current estimates, a 0.25% tax would generate approximately $4.5 million annually.

Under State law, the City's ability to increase its local sales tax rate is limited, and a 0.25% increase represents the maximum available capacity under the current cap.

In considering a ballot measure, the Council must determine whether to structure the tax as a general tax or a special tax. A special tax would dedicate the revenue to specific purposes, such as public safety, but would require approval by two-thirds of voters. In contrast, a general tax requires only a simple majority vote but does not allow for legally binding restrictions on how the funds are used.

Given the City's expanded fiscal needs beyond public safety, a general tax structure may provide a more practical and flexible approach. It would allow the City to respond to changing

conditions over time while increasing the likelihood of voter approval. At the same time, staff recognize the importance of maintaining public trust and ensuring that any new revenue is used in a manner consistent with community expectations.

To address this, staff would recommend that the City Council adopt a spending framework that prioritizes key service areas, which can be adjusted based on future needs. Under this approach, new revenues could be directed first toward fire services to address the staffing to cover the Santa Teresa Station. The second priority could be police services, including staffing, support functions, and community safety initiatives. The third priority would be public works infrastructure, with a focus on traffic safety improvements, pedestrian safety enhancements, and maintenance of streets and public facilities. The funding could be allocated incrementally in that order of priority, or in any combination thereof.

Potential Service Delivery Enhancement with $4.5 million/year in New Local Sales Tax

Service Enhancement	Amount
Fire: Minimum 45 staffing to cover the Santa Teresa Station	$1,300,000.00
Police: One Sergeant, six Police Officers, one CSO, six Safety Communicators, and one Records	2,500,000.00
Public Works: Traffic and bike/Ped. Safety infrastructure improvements	700,000.00
Total	**$4,500,000.00**

This table identifies one potential use of funds for additional sales tax revenue. Of note, this revenue continues to leave a gap in funding, notably for a fifth fire station. Staff would anticipate other efforts, including development, both through construction and business development, to contribute to future needs.

Although this framework of utilizing funds for public safety alone would not be legally binding under a general tax structure, it would provide clear policy direction and accountability for the allocation of funds.

To further reinforce transparency and accountability, staff recommend establishing a community oversight committee composed of Gilroy residents. This committee would review the collection and expenditure of tax revenues and provide annual public reports to the City Council. In addition, independent annual audits could be conducted to ensure that funds are used in accordance with Council-adopted policies or an established framework.

Other Considerations

Staff anticipates a November ballot with a number of competing initiatives. Local funding for schools (Gavilan and Gilroy Unified) would likely be among them. In the realm of sales tax, the measures would likely be regional. This could create resistance among likely voters.

Support from community partners highlighting keeping local dollars local could be an effective way of driving interest. In addition, community focus on safety is high, pointing to an opportunity that may be difficult to find in the future.

It is also inciteful to note that sales tax in Gilroy is paid by patrons whose origin is outside the city limits due to our substantial retail infrastructure. This would shift some of the costs of city resources to these users.

At times, sales tax measures contain a sunset date. The sunset date would force the reconsideration of the tax a point in time in the future. This can be a significant and effective control measure to ensure funds are spent as expected. It is important to note, however, that the funds would fill an ongoing operating need and a sunset date could risk creating service level reductions in the future should the funding end.

With respect to polling, given the environment, timing, and past election results, staff would not recommend conducting polling or a community survey and instead pursue this as a true grassroots effort, similar to the 2024 initiative.

ALTERNATIVES

The Council could direct staff not to proceed with the local sales tax measure for the November 2026 General election.

FISCAL IMPACT/FUNDING SOURCE

There is no direct fiscal impact of receiving this report. However, the following fiscal impacts have been identified in anticipation of the Council's potential decision-making.

- $150,000 to $200,000 – Ballot Measure – This cost estimate is for the County of Santa Clara Registrar of Voters to place the ballot measure on the November 2026 election.

- Other legal and administrative costs for drafting the resolutions and ballot materials.

PUBLIC OUTREACH

Should Council ultimately decide to put this initiative before the Gilroy community, additional outreach will be conducted to provide information regarding the process and the measure.

NEXT STEPS

If the Council directs staff to proceed with placing a local sales tax ballot measure, staff will take the necessary steps to complete the requirements and return to the Council for formal approval by June 2026.

Attachments: None