



CITY COUNCIL REGULAR MEETING AGENDA

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

MAYOR

Marie Blankley

COUNCIL MEMBERS

Rebeca Armendariz

Dion Bracco

Tom Cline

Zach Hilton

Carol Marques

Fred Tovar

MONDAY, FEBRUARY 26, 2024 | 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

PUBLIC COMMENTS ON AGENDA ITEMS ARE TAKEN BEFORE THE CITY COUNCIL TAKES ACTION. [Please keep your comments to 3 minutes](#). Time restrictions may vary based on the Mayor's discretion.

Send written comments on any agenda item to publiccomments@cityofgilroy.org or City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by 1 p.m. on the meeting day will be distributed to the City Council before the meeting. Comments are also available 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 dispute any planning or land use decision from this meeting in court, you may only raise issues you or someone else presented at this meeting's public hearing or in written letters to the City Council before the hearing. Be aware that the time to seek a judicial review of any final decision made at this meeting is defined by Section 1094.6 of the California Code of Civil Procedure.

During this meeting, a Closed Session may be called under Government Code Section 54956.9 (d)(2). This will happen if, in the City's legislative body's opinion (based on current facts, circumstances, and legal advice), there's a significant risk of a lawsuit against the City.

Additional materials submitted after agenda distribution are available on www.cityofgilroy.org as soon as possible.

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 translation assistance, contact the City Clerk 72 hours before the meeting at 408-846-0204 or 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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The agenda for this meeting is outlined as follows:

- 1. OPENING**
 - 1.1. Call to Order**
 - 1.2. Pledge of Allegiance**
 - 1.3. Invocation**
 - 1.4. City Clerk's Report on Posting the Agenda**
 - 1.5. Roll Call**
 - 1.6. Orders of the Day**
 - 1.7. Employee Introductions**
- 2. CEREMONIAL ITEMS - Proclamations and Awards**
- 3. COUNCIL CORRESPONDENCE (Informational Only)**
- 4. PRESENTATIONS TO THE COUNCIL**
 - 4.1. PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL**

This part of the meeting allows public address on non-agenda topics within the Council's jurisdiction. To speak, complete a Speaker's Card from the entrances and give it to the City Clerk. Speaking time ranges from 1-3 minutes based on the Mayor's discretion. Extended discussions or actions on non-agenda items are restricted by law. For Council action, the topic may be listed on a future agenda.

Email written comments on non-agenda topics to publiccomments@cityofgilroy.org or mail them to City Hall, 7351 Rosanna Street, Gilroy, CA 95020, by 1:00 p.m. on the meeting day. These comments, available at City Hall, will be shared with the Council and included in the meeting record. Late submissions will be shared as soon as possible. A 10-page limit applies to hard-copy materials, but electronic submissions are unlimited.

5. REPORTS OF COUNCIL MEMBERS

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

Council Member Armendariz – Downtown Committee, Santa Clara County Library Joint Powers Authority (*alternate*), Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, Silicon Valley Clean Energy Authority JPA Board (*alternate*)

Council Member Marques – ABAG, Downtown Committee, Gilroy Gardens Board of Directors, Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, SCRWA (*alternate*)

Council Member Hilton – CalTrain Policy Group (*alternate*), Silicon Valley Clean Energy Authority JPA Board, VTA Policy Advisory Committee

Council Member Cline – Gilroy Economic Development Partnership (*alternate*), Gilroy Gardens Board of Directors (*alternate*), Gilroy Sister Cities Association, Gilroy Youth Task Force, Silicon Valley Regional Interoperability Authority Board, VTA Policy Advisory Committee (*alternate*), Visit Gilroy California Welcome Center Board, VTA Mobility Partnership Committee

Council Member Tovar – Downtown Committee, Gilroy Youth Task Force (*alternate*), Santa Clara County Expressway Plan 2040 Advisory Board, Santa Clara Valley Water Commission, SCRWA, South County Youth Task Force Policy Team

Mayor Blankley – ABAG (*alternate*), CalTrain Policy Group, Downtown Committee, Gilroy Economic Development Partnership, Gilroy Sister Cities Association (*alternate*), Gilroy Youth Task Force, Santa Clara Valley Water Joint Water Resources Committee, SCRWA, South County Youth Task Force Policy Team, VTA Board of Directors, VTA Mobility Partnership Committee

6. FUTURE COUNCIL INITIATED AGENDA ITEMS

7. **CONSENT CALENDAR**

Items under the Consent Calendar are deemed routine and approved with one motion. If a Council member or a member of the public wishes for a separate discussion on an item, it must be requested for removal before the Council's approval vote. If removed, the item will be discussed in its original order.

- 7.1. Approval of the Action Minutes of the February 5, 2024 City Council Regular Meeting**
- 7.2. Accept and File Quarterly Cash and Investment Report as of December 31, 2023**
- 7.3. Approval of Final Map and PIA Tract 10594 700 W. 6th Street Subdivision**
- 7.4. Approval of Notice of Acceptance of Completion for Property Improvement Agreement No. 2017-06, Ballybunion Dr and Santa Teresa Blvd Roundabout**
- 7.5. Adoption of a Resolution of the City Council of the City of Gilroy Approving a Fiscal Year 2024 Budget Amendment for \$20,813 for a County of Santa Clara Office of Emergency Management Training and Exercise Grant**
- 7.6. Adoption of a Resolution of the City Council of the City of Gilroy Approving a Fiscal Year 2024 Budget Amendment of \$33,080.66 for a County of Santa Clara Health Care System Grant**

8. **BIDS AND PROPOSALS**

- 8.1. Award a Contract in the amount of \$408,134 to Blue Raster for Bicycle and Pedestrian Geographic Information Systems Consultant Services and Approve a Budget Amendment in the Measure B Fund**

- 1. Staff Report: Bryce Atkins, Assistant to the City Administrator
- 2. Public Comment
- 3. Possible Action:

Council:

- a. Award a contract to Blue Raster for \$408,134 for bicycle and pedestrian geographic information systems consultant services, and authorize the City Administrator to execute the agreement and any non-financial amendments to the agreement.
- b. Adopt a resolution amending the FY24 adopted budget to increase appropriations in the Measure B Fund (Fund 212) by \$408,134.

- 8.2. Award a Contract to Kimley-Horn and Associates, Inc. for the Design of Two Traffic Signals Project No. 24-RFP-PW-498 in the amount of \$149,854, Approve a Project Contingency of \$29,971, and Approve a Total Project Expenditure of \$179,825 for Design Services**

- 1. Staff Report: Heba El-Guindy, Public Works Director
- 2. Public Comment
- 3. Possible Action:

Award a contract to Kimley-Horn and Associates, Inc. in the amount of \$149,854 and approve a project contingency of \$29,971 for a total project expenditure of \$179,825 for the Design of Two Traffic Signals Project No. 24-RFP-PW-498 and authorize the City Administrator to execute the contract and associated documents.

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

11. INTRODUCTION OF NEW BUSINESS

11.1. Consideration of a Ceasefire Resolution

1. Staff Report: Bryce Atkins, Assistant to the City Administrator
2. Public Comment
3. Possible Action:

Council discussion and direction.

11.2. Consent of the Appointment of Beth Minor as Interim City Clerk (Retired Annuitant) Effective February 27, 2024, and Adoption of a Resolution of the City Council of the City of Gilroy Approving the Appointment and Employment Agreement

1. Staff Report: LeeAnn McPhillips, Administrative Services and Human Resources Director / Risk Manager
2. Public Comment
3. Possible Action:
 - a. Consent the City Administrator's recommendation to appoint Beth Minor as Interim City Clerk (as a retired annuitant) effective February 27, 2024.
 - b. Adopt a Resolution of the City Council of the City of Gilroy approving the appointment of Beth Minor as Interim City Clerk (Retired Annuitant) pursuant to California Government Code Section 21221(h) and authorizing the City Administrator to execute the employment agreement.

11.3. Receive Fiscal Year 2023-2024 (FY24) Mid-Year Budget Report and Adopt a Budget Amendment Resolution

1. Staff Report: Harjot Sangha, Finance Director
2. Public Comment
3. Possible Action:
 - a. Receive Mid-Year Budget Report for FY24.
 - b. Adopt a Resolution of the City Council of the City of Gilroy Amending the Appropriations for FY24 in Fund 293.

11.4. FY24 and FY25 Departmental Workplan Updates

1. Staff Report: Bryce Atkins, Assistant to the City Administrator
2. Public Comment
3. Possible Action:

Council receive the report.

11.5. Council-Initiated Agenda Item Policy

1. Staff Report: Bryce Atkins, Assistant to the City Administrator
2. Public Comment
3. Possible Action:

Council provide direction regarding the draft policy.

11.6. Accept the Annual Comprehensive Financial Report for Fiscal Year-Ended June 30, 2023

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

Accept and file the report.

12. CITY ADMINISTRATOR'S REPORTS

13. CITY ATTORNEY'S REPORTS

14. CLOSED SESSION

- 14.1. CONFERENCE WITH LABOR NEGOTIATORS - COLLECTIVE BARGAINING UNIT Pursuant to GC Section 54957.6 and GCC Section 17A.11 (4); Collective Bargaining Units: Local 2805, IAFF Fire Unit Representing Gilroy Fire Fighters**
City Negotiators: Jimmy Forbis, City Administrator, LeeAnn McPhillips, HR Director
Anticipated Issues(s) Under Negotiation: Wages, Hours, Benefits, Working Conditions; Memorandums of Understanding: City of Gilroy and Gilroy Fire Fighters Local 2805.

- 14.2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to GC Sec. 54956.8 and GCC Sec.17A.8 (a) (2)**
Property: Gilroy Gardens Theme Park, 3050 Hecker Pass Highway, Gilroy, CA (APN's: 810-17-024, 810-17-026, 810-17-029, 810-17-030, 810-17-031, 810-18-002, 810-18-013, 810-19-005, 810-19-007, 810-19-010, 810-19-011, 810-19-014)
Negotiators: Jimmy Forbis, City Administrator
Other Party to Negotiations: Gilroy Gardens Family Theme Park, LLC
Under Negotiations: Price and terms of payment for sale or lease.

15. ADJOURN TO OPEN SESSION

Report of any action taken in Closed Session and vote or abstention of each Council Member if required by Government Code Section 54957.1 and GCC Section 17A.13 (a); Public Report of the vote to continue in closed session if required under GCC Section 17A.11 (e).

16. ADJOURNMENT

FUTURE MEETING DATES

March 2024

4 Regular Meeting - 6:00 p.m

18 Regular Meeting - 6:00 p.m

April 2024

8 Regular Meeting - 6:00 p.m

15 Regular Meeting - 6:00 p.m

May 2024

6 Regular Meeting - 6:00 p.m

20 Regular Meeting - 6:00 p.m

Meetings are live streamed on the City of Gilroy's website at gilroy.city/meetings and on YouTube at <https://bit.ly/45jor03>.

Access the 2024 City Council Meeting Calendar at <https://bit.ly/3LLzY1n>.

From: [Joseph P. Thompson](#)
To: [Gilroy Dispatch Editor](#); [Brad Kava](#); [All Council Members](#); [chamber of commerce Gilroy California](#); [Tammy Brownlow](#); [jane@gilroy.org](#); [Mayor Marie Blankley](#); [Thai Pham](#); [SBC Board of Supervisors](#); [supervisorkosmicki@cosb.us](#); [Supervisors](#); [Angela Curro](#); [supervisorsotelo@cosb.us](#); [Sanbenitocog Info](#); [RTDillon](#); [rwells@edcsanbenito.org](#); [Roxy Montana](#)
Subject: EXTERNAL - CAHSRA'S LATEST "BUSINESS PLAN" UP FOR REVIEW, PUBLIC COMMENT: WILL OUR ELECTED LEADERS DEFEND THE TAXPAYERS? OR BETRAY US?
Date: Sunday, February 11, 2024 10:20:22 AM

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

GUEST EDITORIAL: LETTER TO EDITOR, DISPATCH, FREELANCE, MORGAN HILL TIMES---

PUBLIC COMMENT: NEXT MEETING; REAL OR VIRTUAL; REGULAR OR SPECIAL; PUBLIC WORKSHOP OR PRIVATE RETREAT---

Ah Mon Amis,

CAHSRA's new "business plan," which is up for review and public comment, is not a "business" plan, it's a bankruptcy plan, an insolvency plan.

Like VTA, they would take about 1% of the total costs from passengers, and require taxpayers thru gas taxes to pay the balance 99% to make it go. Like COG, and all the other transit agencies.

If truth be told, it is a plan funded on taxpayer subsidies, for the most part, and a very small percentage

by fares paid by riders. It is a roadmap to a trainwreck, a financial disaster like VTA, Caltrain, Amtrak, ACE

Train, SMART Train, BART, Metroliner and Lite Rail boondoggles.

Conceived insolvent, born bankrupt, and kept running by ever-increasing taxpayers' dollars; hemorrhaging losses, berserk bloated wages, salaries, benefits and pensions for the public sector union members all the while motorists must pay higher gas taxes and vehicle fees to reward the fraud, waste and abuse at another public sector monstrosity, a Supermassive Black Hole.

Alternative private sector options exist, but the turf protectors at CAHSRA will never even discuss them.

In 2008 Californians voted for self-sufficient high speed rail, not a bigger Amtrak.

If CAHSRA adopts the new proposed "business plan," then they ought to next plan their Ch. 9 Bankruptcy because they will be insolvent, bankrupt, from the start. Better yet, a Ch. 7 liquidation bankruptcy would be called for since their method of crucifying taxpayers to make public sector transit work deserves to be put out of existence.

If it was a horse, we'd do the humane thing. Instead, they propose taxing motorists higher gas taxes, a Road to Serfdom like Lenin's ideas.

Joe Thompson

Past-Chair, Legislation Committee Transportation Lawyers Assn.
 Past-President, 1999-2001, 2006, Gilroy-Morgan Hill Bar Assn.

Welcome to City Councilman “Zach Hilton’s” vision and endorsed agenda
 [Plan Bay Area-2050]
 to bring Gilroy into the 21st Century:
 Redistribution of “your” wealth

Universal Basic Income

To be presented to the Gilroy City Council and Community at the next city council meeting on February 26, 2024. [Ronald L. Kirkish]

Historical references and views of: Universal Basic Income/Redistributing Wealth - an Orwellian Marxist/Socialist Scheme

- Marx vs. The Universal Basic income

<https://www.acton.org/publications/transatlantic/2020/04/17/marx-vs-universal-basic-income>

- President Xi Jinping turns his fire on China’s rich in push to redistribute wealth

<https://www.cnn.com/2021/08/18/economy/xi-jinping-china-wealth-redistribution-intl-hnk/index.html>

- A Discussion of Mao Zedong’s View on Wealth Distribution Before and After the Great Leap Forward

[A Discussion of Mao Zedong’s View on Wealth Distribution Before and After the Great Leap Forward](#)

Like the “ornaments” hanging on the Christmas Tree, I will be exposing Zach Hilton’s Neo-Socialist [MTC/ABAG] PBA-2050 - “It’s many execrable provisions for bringing California into the 21st Century”.

Councilman Hilton’s “ornaments” [Provisions] as he specified in his article’s in the Gilroy Dispatch & Gilroy life are:[his quote] “We are now pulling in the same direction as the regions’s long-range plan for housing, transportation, economy and the environment is known as Plan Bay Area 2050”; however Mr. Hilton never lifts the hood to explain to Gilroyan’s how the plan is expected to achieve its goals; and for good reason as “you” will now learn.

“Lifting the Hood”

PBA-2050 - Economy: Universal Basic Income (UBI)

[Reference: PBA5020-Page's 45 to 55] *2050*

The MTC/ABAG's own “estimated” cost to the taxpayers for the “UBI” provision alone is **\$205 Billion**

[Please note that MTC/ABAG estimates the total plan will cost California's taxpayers \$1.4 Trillion between now and 2050. The report also states that there is \$600B in existing revenues but they will have to find new revenues [\$800B] from other revenue streams which are still to be determined. [Reference: PBA5020-Page 160]

Plan's **purpose**: A long Range Vision for the Economy

Plan's **goal**: Provide an “**AVERAGE**” of \$500 per month to all “**bay area**” households to “Improve Family Stability”, “Promote Economic Mobility” and “Increase Consumer Spending”.

- *please note **“AVERAGE”**, as we all know that implies some households will be getting more than the monthly stipend of \$500 while others will be getting less or zero.*

Their suggested funding sources for “PBA-2050”:

- *MTC and ABAG currently lack the authority, financial resources and technical capacity to carry out the plan [Reference: PBA5020-Page 135] *2050**
- **Suggested funding sources to fill PBA 2050's coffers for \$800 Billion:**
[Reference: PBA5020-Page 161 - unless otherwise stated] *2050*
 - **“Parking surcharges”** *[Businesses will be required to charge their employees fees for parking with the money going to the state]*
 - **“Road Tolling”** *[All freeways - all lanes, and their feeder streets will require drivers to pay a toll. The toll amount is called “dynamic road pricing” and will change through out the day depending on the amount of congestion; the more congested, the higher the toll fee will be.....the toll fee amount will also depend on if you are “solo driving” or less if you have passengers; depending on the number. The toll fee amount will also fluxuate depending on the vehicle type; Internal Combustion Engine (ICE), Diesel, EV]*

- **“Cordon Pricing”** *[Practice of charging a fee for vehicles entering a specified geographic area, usually a downtown or central city], [the fee could be static or vary by the time of day, vehicle type or current traffic conditions.]*
[Reference: Plan Bay Area 2050 - Horizon Report - Strategy 5 - Cordon Pricing - Future Benefit]

- **“Increased taxes”** on **wealth**, **income**, **sales** and **property**
- Residents working to place a **“New Revenue Measure”** on the ballot.
- New **“Federal funding Streams”**.

Beth Minor

From: Chris fowler <fowler1969@hotmail.com>
Sent: Monday, February 12, 2024 12:27 PM
To: All Council Members
Subject: EXTERNAL - You've set a precedent

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

For Walmart's Drugging, Vandalism with Assault & Battery to include sexual abuse.
I don't care you have, I suspect it has something to do with employment or favors from those types.
Creepy but your Gilroy and it shows blatantly.
I don't appreciate your silence but none of Walmart s intended victims do.
Mr.Fowler

Get [Outlook for Android](#)

Beth Minor

From: Chris fowler <fowler1969@hotmail.com>
Sent: Wednesday, February 21, 2024 8:15 AM
To: All Council Members
Subject: EXTERNAL - Walmart Drugging attacks.

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

I'm purchasing a gun to defend myself from future Walmart Druggings and sexual battery as well police cover ups of these attacks.

You have failed to protect your community from police abuses as well Walmarts drugging raped.

Please don't blame for them causing their own murders as mines only for defense not some Walmart revenge.

I feel so sorry for your community having people like you protecting them.

Get [Outlook for Android](#)

**City of Gilroy
City Council Regular Meeting Minutes
Monday, February 5, 2024 | 6:00 PM**

1. OPENING

1.1. Call to Order

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

1.2. Pledge of Allegiance

Council Member Tovar led the Pledge of Allegiance.

1.3. Invocation

There was none.

1.4. City Clerk's Report on Posting the Agenda

City Clerk Pham reported on the Posting of the Agenda.

1.5. Roll Call

Attendance	Attendee Name
Present	Rebeca Armendariz, Council Member Dion Bracco, Council Member Tom Cline, Council Member Zach Hilton, Council Member Carol Marques, Mayor Pro Tempore Fred Tovar, Council Member Marie Blankley, Mayor
Absent	None

1.6. Orders of the Day

There were none.

1.7. Employee Introductions

Finance Director Sangha introduced Jeanette Cid, Accounting Assistant I.

2. CEREMONIAL ITEMS - Proclamations and Awards

There were none.

3. PRESENTATIONS TO THE COUNCIL

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

Mayor Blankley opened Public Comment.

The following speakers spoke on items that were not on the agenda.

Ann Marie McCauley criticized the inadequacy of short-term services for the unhoused, stressing the need for long-term housing solutions to address homelessness effectively.

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Ron Kirkish criticized Plan Bay Area 2050 for its costly and progressive approach to societal issues, promising to detail its provisions in future council meetings.

Ana Mendoza requested the City Council review an ordinance related to mobile parks in Gilroy, indicating future discussions with tenants, and advocated for a resolution to support Palestinian community members, emphasizing the need to address hate and protect residents.

Robert Zepeda raised concerns about the COVID-19 vaccine, citing a specific obituary to argue that negative outcomes and deaths related to the vaccine are not being adequately communicated to the public.

The following members urged the City Council to adopt a ceasefire resolution for Israel and Palestine:

Noshaba Afzal
 Reyna Deniz
 Sal Akhter
 Aisha Wahdani
 Zain Yahya
 Amina Kemici
 Handy Abbass

There being no further speakers, Mayor Blankley closed Public Comment.

4. **REPORTS OF COUNCIL MEMBERS**

Council Member Bracco reported on Santa Clara County Library Joint Powers Authority. He also expressed gratitude towards St. Mary's Catholic School children for sending letters and portraits.

Council Member Armendariz had no report.

Council Member Marques had no report.

Council Member Hilton on Silicon Valley Clean Energy Authority JPA Board

Council Member Cline had no report.

Council Member Tovar thanked Gilroy Foundation Executive Director Jaclyn Muro for discussing collaboration opportunities with the City, focusing on downtown input, working with Gavilan College, and developing scholarships for Gilroy students pursuing advanced degrees. He also expressed gratitude for a card received from Saint Mary's Catholic School

Mayor Blankley reported on VTA Board of Directors. She also shared her appreciation for personalized gestures from Saint Mary's Catholic School for Catholic Schools Week.

5. **COUNCIL CORRESPONDENCE**

5.1. **City Administrator Response to Request from the Local Agency Formation Commission (LAFCO) Board to Provide Implementation Plans for the 2023 Countywide Fire Service Review Recommendations**

Council acknowledged the item.

6. **FUTURE COUNCIL INITIATED AGENDA ITEMS**

Council Member Tovar requested the Council to introduce a resolution on ceasefire in

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Palestine and Israel. The item received majority support.

7. **CONSENT CALENDAR**

Council Member Cline requested that Item 7.3 be pulled from the Consent Calendar.

Mayor Blankley opened Public Comment.

Jeff Orth reported on Item 7.4 feedback from Fifth Street business owners on parklets, noting all are fine with its presence but suggest making it less obtrusive by cleaning up trash, removing the roof, lowering walls, and angling corners to reduce its size and visual impact.

There being no further speakers, Mayor Blankley closed Public Comment.

Motion: Approve the Consent Calendar with the exclusion of Item 7.3.

RESULT: Pass

MOVER: Rebeca Armendariz, Council Member

SECONDER: Fred Tovar, Council Member

AYES: Council Member Armendariz, Council Member Bracco, Council Member Cline, Council Member Hilton, Mayor Pro Tempore Marques, Council Member Tovar, Mayor Blankley

NOES: None

ABSENT: None

ABSTAIN: None

7.1. **Approval of the Action Minutes of the January 22, 2024 City Council Regular Meeting**

A motion was made to approve the minutes.

7.2. **Approve the Third Amendment to the Agreement with Swimming Swan LLC to Extend the Agreement by One Year for \$250,348**

A motion was made to approve the third amendment to the agreement with Swimming Swan LLC.

7.3. **Tentative Map Time Extension Request No. 2, Without Any Changes to Project Approval, to Subdivide 8.36 Acres, Creating 14 Single-Family Residential Lots, Two Common Parcels, and One Public Park Parcel, Located at the Northerly End of Greenfield Drive, APN 808-20-008 (TM 16-02)**

The item was pulled out of the Consent Calendar for further discussion.

7.4. **Extension and Maintenance of Existing Parklet Permits Until Adoption and Implementation of a Formal Downtown Parklet Program**

A motion was made to approve the extension and maintenance of existing parklet permits until adoption and implementation of a formal downtown parklet program.

7.5. Adopt a Resolution of the City Council of the City of Gilroy Authorizing Execution of Administering Agency-State Master Agreements for State and Federal-Aid Funded Projects

A motion was made to adopt the Resolution.

Enactment No.: Resolution No. 2024-05

7.6. Resolution of the City Council of the City of Gilroy Declaring Weeds a Nuisance

A motion was made to adopt the resolution.

Enactment No.: Resolution No. 2024-06

7.3. Tentative Map Time Extension Request No. 2, Without Any Changes to Project Approval, to Subdivide 8.36 Acres, Creating 14 Single-Family Residential Lots, Two Common Parcels, and One Public Park Parcel, Located at the Northerly End of Greenfield Drive, APN 808-20-008 (TM 16-02)

Council Member Cline recused himself from the item due to a conflict of interest.

Motion: Adopt a resolution approving a 12-month time extension of Tentative Map TM 16-02, without any changes to project approval, to subdivide 8.36 acres, creating 14 single-family residential lots, two common parcels, and one public park parcel located at the northerly end of Greenfield Drive, APN 808-20-008 (TM 16-02).

RESULT: Pass

MOVER: Fred Tovar, Council Member

SECONDER: Dion Bracco, Council Member

AYES: Council Member Armendariz, Council Member Bracco, Council Member Hilton, Mayor Pro Tempore Marques, Council Member Tovar, Mayor Blankley

NOES: None

ABSENT: None

RECUSED: Council Member Cline

Enactment No.: Resolution No. 2024-04

8. BIDS AND PROPOSALS

8.1. Award a Contract to ASG Builders for the FY24 Annual CDBG Sidewalk/Curb Ramp Project No. 24-PW-285 in the amount of \$97,290, Approve a Project Contingency of \$19,458, and Approve a Total Project Expenditure of \$116,748 for Construction

Interim Public Works Director Bjarke provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment. There being no speakers, Mayor Blankley closed Public Comment.

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Motion: Award a contract to ASG Builders in the amount of \$97,290 and approve a project contingency of \$19,458 for the FY24 Annual CDBG Sidewalk/Curb Ramp Project (No. 24-PW-285) and authorize the City Administrator to execute the contract and associated documents.

RESULT: Pass

MOVER: Dion Bracco, Council Member

SECONDER: Rebeca Armendariz, Council Member

AYES: Council Member Armendariz, Council Member Bracco, Council Member Cline, Council Member Hilton, Mayor Pro Tempore Marques, Council Member Tovar, Mayor Blankley

NOES: None

ABSENT: None

ABSTAIN: None

8.2. Award a Contract to Hexagon Transportation Consultants, Inc. for the First Street (SR152)/Kern Avenue Traffic Signal Design Project No. 24-RFP-PW-494 in the amount of \$264,685, Approve a Project Contingency of \$39,703, and Approve a Total Project Expenditure of \$304,388 for Design Services

Interim Public Works Director Bjarke provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment. There being no speakers, Mayor Blankley closed Public Comment.

Motion: Adopt a resolution of the City Council of the City of Gilroy amending the Fiscal Year 2023-2024 budget and appropriating an additional \$121,821 from the Traffic Impact Fund (425) and award a contract to Hexagon Transportation Consultants, Inc. in the amount of \$264,685 and approve a project contingency of \$39,703 for a total project expenditure of \$304,388 for the design and preparation of bid documents for the First Street (SR152)/Kern Avenue Traffic Signal Design Project No. 24-RFP-PW-494 and authorize the City Administrator to execute the contract and associated documents.

RESULT: Pass

MOVER: Tom Cline, Council Member

SECONDER: Rebeca Armendariz, Council Member

AYES: Council Member Armendariz, Council Member Bracco, Council Member Cline, Council Member Hilton, Mayor Pro Tempore Marques, Council Member Tovar, Mayor Blankley

NOES: None

ABSENT: None

ABSTAIN: None

Enactment No.: Resolution No. 2024-07

8.3. Award a Contract to HydroScience Engineers, Inc. for the Design of Water Utility Improvements Project No. 24-RFP-PW-497 in the amount of \$842,790, Approve a Project Contingency of \$126,419, and Approve a Total Project Expenditure of \$969,209 for Design Services

Interim Public Works Director Bjarke provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment. There being no speakers, Mayor Blankley closed Public Comment.

Motion: Adopt a resolution of the City Council of the City of Gilroy to increase the Fiscal Year 2023-2024 (FY24) and decrease the 2024-2025 (FY25) budget by \$605,038 in the Water Fund (Fund 705) and award a contract to HydroScience Engineers, Inc. in the amount of \$842,790 and approve a project contingency of \$126,419 for a total project expenditure of \$969,209 for the design and preparation of bid documents for Water Utility Improvements Project No. 24-RFP-PW-497 and authorize the City Administrator to execute the contract and associated documents.

RESULT: Pass

MOVER: Dion Bracco, Council Member

SECONDER: Fred Tovar, Council Member

AYES: Council Member Armendariz, Council Member Bracco, Council Member Cline, Council Member Hilton, Mayor Pro Tempore Marques, Council Member Tovar, Mayor Blankley

NOES: None

ABSENT: None

ABSTAIN: None

Enactment No.: Resolution No. 2024-08

8.4. Award a Contract to Villalobos & Associates for the FY24 Annual Citywide Curb Ramp Project No. 24-PW-286 in the amount of \$104,130, Approve a Project Contingency of \$10,413, and Approve a Total Project Expenditure of \$114,543 for Construction

Interim Public Works Director Bjarke provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment. There being no speakers, Mayor Blankley closed Public Comment.

Motion: Award a contract to Villalobos & Associates in the amount of \$104,130, approve a project contingency of \$10,413, approve a total project expenditure of \$114,543 for the construction of the Fiscal Year 2024 (FY24) Annual Citywide Curb Ramp Project (No. 24-PW-286), and authorize the City Administrator to execute the contract and associated documents.

RESULT: Pass

MOVER: Fred Tovar, Council Member

SECONDER: Rebeca Armendariz, Council Member

AYES: Council Member Armendariz, Council Member Bracco, Council Member Cline, Council Member Hilton, Mayor Pro Tempore Marques, Council Member Tovar, Mayor Blankley

NOES: None

ABSENT: None

ABSTAIN: None

9. PUBLIC HEARINGS

There were none.

10. UNFINISHED BUSINESS

There were none.

11. INTRODUCTION OF NEW BUSINESS

11.1. Approval to Enter into an Exclusive Negotiating Agreement with BayEcotarium for Potential Uses of the (Hecker Pass) Recreation Gateway Area

Economic Development Manager Valencia provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

Ron Kirkish shared local concerns about selling Gilroy Gardens, stressing its value for tourism, economy, and youth employment, and urged the council to scrutinize the intentions of any potential buyers.

Jane Howard offered the Gilroy Garden's board's support in negotiations with BayEcotarium and recommended Council Member Marques for the negotiating team due to her knowledge of the Gardens.

There being no further speakers, Mayor Blankley closed Public Comment.

Motion: Approve an Exclusive Negotiating Rights Agreement between the City of Gilroy and Bay.org (BayEcotarium) and authorize the City Administrator to execute all related documents.

RESULT: Pass

MOVER: Fred Tovar, Council Member

SECONDER: Marie Blankley, Mayor

AYES: Council Member Armendariz, Council Member Bracco, Council Member Cline, Council Member Hilton, Mayor Pro Tempore Marques, Council Member Tovar, Mayor Blankley

NOES: None

ABSENT: None

ABSTAIN: None

Motion: Establish an ad hoc committee with Mayor Blankley and Council Members Bracco and Cline, along with the City Administrator, to form the City's negotiation team.

RESULT: Pass

MOVER: Marie Blankley, Mayor

SECONDER: Dion Bracco, Council Member

AYES: Council Member Bracco, Council Member Cline, Mayor Pro Tempore Marques, Mayor Blankley

NAYS: Council Member Armendariz, Council Member Hilton, Council Member Tovar

ABSENT: None

ABSTAIN: None

12. CITY ADMINISTRATOR'S REPORTS

City Administrator Forbis provided his report.

13. CITY ATTORNEY'S REPORTS

There were none.

14. CLOSED SESSION

Mayor Blankley opened Public Comment. There being no speakers, Mayor Blankley closed Public Comment.

Mayor Blankley recessed the Regular Meeting at 7:22 PM.

The City Council convened into Closed Session at 7:29 PM.

A motion was made to stay in Closed Session. The vote was unanimous.

- 14.1. CONFERENCE WITH LABOR NEGOTIATORS – COLLECTIVE BARGAINING UNIT** Pursuant to GC Section 54957.6 and GCC Section 17A.11 (4);
Collective Bargaining Units: Local 2805, IAFF Fire Unit Representing Gilroy Fire Fighters
City Negotiators: Jimmy Forbis, City Administrator, LeeAnn McPhillips, HR Director
Anticipated Issues(s) Under Negotiation: Wages, Hours, Benefits, Working Conditions; **Memorandums of Understanding:** City of Gilroy and Gilroy Fire Fighters Local 2805.

No reportable action.

- 14.2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS** Pursuant to GC Sec. 54956.8 and GCC Sec. 17A.8(a)(2);
Properties: 10th Street Bridge: APNs 808-19-007, 799-30-006, 799-30-007, 808-19-020, 808-50-999, Thomas Luchessa Bridge: APNs 808-21-025, 808-21-023, 808-21-021, 808-21-018, New Fire Station: APNs 808-18-003, 808-19-029
Negotiators: Jimmy Forbis, City Administrator; **Other Party to Negotiations:** Glen Loma Corporation, John M. Filice, Jr.;
Negotiating Price and terms of payment regarding purchase, sale.

No reportable action.

15. ADJOURN TO OPEN SESSION

Mayor Blankley reported out of Closed Session, as shown above.

16. ADJOURNMENT

Mayor Blankley adjourned the meeting at 7:56 PM.

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.

/s/Thai Nam Pham, MMC, CPMC
 City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title: **Accept and File Quarterly Cash and Investment Report as of December 31, 2023**

Meeting Date: February 26, 2024

From: Jimmy Forbis, 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 quarterly cash and investment report as of December 31, 2023.

BACKGROUND

The quarterly investment reports are prepared pursuant to the City's investment policy to keep the City Council apprised of the City's investment activities.

ANALYSIS

As of December 31, 2023, the City's cash and investments totaled \$179.3 million, of which \$69.2 million is invested with the Local Agency Investment Fund (LAIF), and \$103.0 million is invested in US Treasury securities. The fiscal year-to-date interest earnings are \$3.6 million, which includes accrued interest as well as amortization of the discount on the US Treasury securities.

In addition, approximately \$24.0 million is held by Fiscal Agents in the Trustee capacity for various bond issues such as bond proceeds, debt service reserves, bond payments, and post-employment benefits related to pension. The majority of this balance (\$19.9 million) consists of the City of Gilroy's share of the Acquisition and Construction Funds for the SCRWA Plant Expansion Project.

FISCAL IMPACT/FUNDING SOURCE

There are no direct fiscal impacts to receiving and filing the quarterly cash and investment report. This is an activity included in the Finance Department's annual workplan.

Attachments:

Cash and Investment Report as of December 31, 2023

CITY OF GILROY
INVESTMENT REPORT
DECEMBER 2023



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**City of Gilroy
Portfolio Management
Portfolio Summary
December 31, 2023**

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020
(408)846-0294

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LAIF	69,150,574.70	69,150,574.70	69,150,574.70	40.16	1	1	3.906	3.960
Treasury Notes Securities	89,605,000.00	87,107,237.72	87,926,764.41	51.06	481	246	4.779	4.845
Treasury Bill -Amortizing	15,649,000.00	15,118,396.95	15,118,396.95	8.78	302	242	5.222	5.294
	174,404,574.70	171,376,209.37	172,195,736.06	100.00%	273	147	4.467	4.529
Investments								
Cash								
Passbook/Checking (not included in yield calculations)	7,124,122.94	7,124,122.94	7,124,122.94		1	1	0.000	0.000
Total Cash and Investments	181,528,697.64	178,500,332.31	179,319,859.00		273	147	4.467	4.529

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	659,703.34	3,567,670.12
Average Daily Balance	174,678,278.34	173,802,553.12
Effective Rate of Return	4.45%	4.07%
3 Month T-Bill Benchmark:	5.40%	

NOTES:

1. See "Monies Held by Fiscal Agents" for additional amounts held in the capacity of a trustee.
2. The Maturity Aging Factor of the City's Portfolio = 4.90 months.
3. The unrealized gain resulting from an increase in Market Values obtained from U.S. Bank of all Securities (excluding LAIF) = \$923,003.76
4. The LAIF balance shown includes \$5,430,581.32 in bond proceeds from the Gilroy Library 2010 Bonds that can be used exclusively for the construction of the library.
5. The City of Gilroy invested an additional \$40M in US. Government Issues from Industrial LAIF.

This is to certify that this schedule of investments is in compliance with the City of Gilroy's investment policy and that there are adequate funds available to meet the City's budgeted and actual expenses for the next six months.


Harjot Sangha, Finance Director

02/16/2024

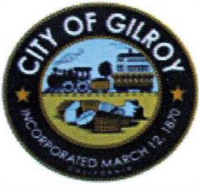
Reporting period 07/01/2023-12/31/2023

**City of Gilroy
Portfolio Management
Portfolio Details - Investments
December 31, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
LAIF												
SYSLAIF01	LAIF01	LAIF - City of Gilroy			28,719,992.34	28,719,992.34	28,719,992.34	3.960	3.906	3.960	1	
SYSLAIF03	LAIF03	LAIF - Industrial Dev. Auth.			35,000,001.04	35,000,001.04	35,000,001.04	3.960	3.906	3.960	1	
LAIF05	LAIF05	LAIF LIBRARY			5,430,581.32	5,430,581.32	5,430,581.32	3.960	3.906	3.960	1	
Subtotal and Average			68,827,994.06		69,150,574.70	69,150,574.70	69,150,574.70		3.906	3.960	1	
Treasury Notes Securities												
912828Z52	USB-10	U. S. TREASURY NOTES		05/01/2023	8,419,000.00	7,994,093.07	8,182,296.60	1.375	4.037	4.093	396	01/31/2025
91282CGX3	USB-11	U. S. TREASURY NOTES		07/31/2023	8,186,000.00	8,019,414.90	8,075,095.07	3.875	4.881	4.949	485	04/30/2025
91282CAB7	USB-14	U. S. TREASURY NOTES		11/07/2023	8,915,000.00	8,276,471.26	8,276,471.26	0.250	4.970	5.039	577	07/31/2025
9128283V0	USB-15	U. S. TREASURY NOTES		11/07/2023	506,000.00	491,636.97	491,636.97	2.500	5.171	5.243	396	01/31/2025
91282CEK3	USB-16	U. S. TREASURY NOTES		11/07/2023	11,938,000.00	11,825,104.94	11,825,104.94	2.500	5.366	5.441	120	04/30/2024
9128284M9	USB-17	U. S. TREASURY NOTES		11/07/2023	646,000.00	627,576.31	627,576.31	2.875	5.059	5.129	485	04/30/2025
91282CFA4	USB-18	U. S. TREASURY NOTES		11/07/2023	12,078,000.00	11,912,302.15	11,912,302.15	3.000	5.361	5.436	212	07/31/2024
91282CDV0	USB-5	U. S. TREASURY NOTES		11/01/2022	7,720,000.00	7,581,040.00	7,697,454.79	0.875	4.513	4.576	30	01/31/2024
912828YM6	USB-6	U. S. TREASURY NOTES		11/01/2022	7,527,000.00	7,218,844.62	7,357,566.41	1.500	4.296	4.355	304	10/31/2024
912828X70	USB-7	U. S. TREASURY NOTES		11/01/2022	7,612,000.00	7,462,119.72	7,550,121.75	2.000	4.521	4.584	120	04/30/2024
9128282N9	USB-8	U. S. TREASURY NOTES		11/01/2022	7,586,000.00	7,379,129.78	7,485,243.53	2.125	4.466	4.528	212	07/31/2024
91282CDV0	USB-9	U. S. TREASURY NOTES		01/31/2023	8,472,000.00	8,319,504.00	8,445,894.63	0.875	4.693	4.758	30	
Subtotal and Average			87,823,269.87		89,606,000.00	87,107,237.72	87,926,764.41	01/31/2024	4.779	4.845	246	
Treasury Bill -Amortizing												
912797JB4	USB-12	U.S. TREASURY BILL		11/02/2023	3,401,000.00	3,387,507.66	3,387,507.66	4.925	5.055	5.125	29	01/30/2024
912797HE0	USB-13	U. S. TREASURY BILL		11/02/2023	12,248,000.00	11,730,889.29	11,730,889.29	5.000	5.270	5.343	304	
Subtotal and Average			15,085,902.82		15,649,000.00	15,118,396.95	15,118,396.95	10/31/2024	5.222	5.294	242	
Total and Average			174,678,278.34		174,404,574.70	171,376,209.37	172,195,736.06		4.467	4.629	147	

**City of Gilroy
Portfolio Management
Portfolio Details - Cash
December 31, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity
Wells Fargo Checking											
SYSWFB	WELLS FARGO	WELLS FARGO			6,618,763.21	6,618,763.21	6,618,763.21	0.000	0.000		1
Other Banks-Misc.Account-Petty Cash											
SYSUNDERCOV	UNDERCOV	CHASE BANK		07/01/2023	698.30	698.30	698.30	0.000	0.000		1
SYS/MUFG	MUFG	MUFG / UNION BANK		07/01/2023	0.00	0.00	0.00	0.000	0.000		1
SYSPETTY	PETTY	PETTY CASH		07/01/2023	2,661.56	2,661.56	2,661.56	0.000	0.000		1
SYS/USBANK	USB-CASH	U. S. BANK		07/01/2023	627.46	627.46	627.46	0.000	0.000		1
SYSBAIL	BAIL	WELLS FARGO		07/01/2023	0.00	0.00	0.00	0.000	0.000		1
SYSDISCOVERY	DISCOVERY	WELLS FARGO		07/01/2023	121,621.01	121,621.01	121,621.01	0.000	0.000		1
SYSICS	ICS	WELLS FARGO		07/01/2023	378,156.40	378,156.40	378,156.40	0.000	0.000		1
SYSWORKING	WORKING	WORKING CASH		07/01/2023	1,595.00	1,595.00	1,595.00	0.000	0.000		1
Average Balance			0.00								1
Total Cash and Investments			174,678,278.34		181,528,697.64	178,500,332.31	179,319,859.00	4.467	4.529		147



City of Gilroy
Investments by Issuer
Active Investments
Grouped by Type - Sorted by Type
December 31, 2023

City of Gilroy
 7351 Rosanna Street
 Gilroy, CA 95020
 (408)846-0294

CUSIP	Investment #	Security Type	Investment Class	Remaining Cost	Current Rate	Market Value	Market Date	YTM 365	Redemption Date	Call Date	Collateral
Type: CHECKING ACCOUNTS											
CHASE BANK											
SYSUNDERCOV	UNDERCOV	Other Banks-isc.Account-Pe-y Cash	Fair	698.30		698.30	12/31/2023			1	
Subtotal and Average				698.30		698.30				1	
LAIF - City of Gilroy											
SYSLAIF01	LAIF01	LAIF	Fair	28,719,992.34	3.960	28,719,992.34	12/31/2023	3.960		1	
Subtotal and Average				28,719,992.34		28,719,992.34		3.960		1	
LAIF - Industrial Dev. Auth.											
SYSLAIF03	LAIF03	LAIF	Fair	35,000,001.04	3.960	35,000,001.04	12/31/2023	3.960		1	
Subtotal and Average				35,000,001.04		35,000,001.04		3.960		1	
LAIF LIBRARY											
LAIF05	LAIF05	LAIF	Fair	5,430,581.32	3.960	5,430,581.32	12/31/2023	3.960		1	
Subtotal and Average				5,430,581.32		5,430,581.32		3.960		1	
MUFG / UNION BANK											
SYS/MUFG	MUFG	Other Banks-isc.Account-Pe-yCash	Fair	0.00		0.00				1	
Subtotal and Average				0.00		0.00					
PETTY CASH											
SYSPETTY	PETTY	Other Banks-isc.Account-Pe-yCash	Fair	2,661.56		2,661.56	12/31/2023			1	
Subtotal and Average				2,661.56		2,661.56				1	
WELLS FARGO											
SYSWFB	WELLS FARGO	Wells Fargo Checking	Fair	6,618,763.21		6,618,763.21	12/31/2023			1	
SYSBAIL	BAIL	Other Banks-isc.Account-Pe-yCash	Fair	0.00		0.00				1	
SYSDISCOVERY	DISCOVERY	Other Banks-isc.Account-Pe-yCash	Fair	121,621.01		121,621.01	12/31/2023			1	
SYSICS	ICS	Other Banks-isc.Account-Pe-yCash	Fair	378,156.40		378,156.40	12/31/2023			1	

City of Gilroy
Investments by Issuer
Grouped by Type - Sorted by Type

CUSIP	Investment#	Security	Type	Investment Class	Remaining	Current Cost	Bill	Market Value	D	YTM	Redemption	Call
									365		Call	Collateral
Subtotal and Average					7,118,540.62			7,118,540.62			1	
WORKING CASH												
SYSWORKING	WORKING	Other Banks-Misc.Account	Pe	yCash	Fair	1,595.00		1,595.00	12/31/2023		1	
Subtotal and Average					1,595.00			1,595.00			1	
Type: NOT CALLABLE												
U.S. BANK												
SYS/USBANK	USB-CASH	Other Banks-Misc.Account	Pe	yCash	Fair	627.46		627.46	12/31/2023		1	
Subtotal and Average					627.46			627.46			1	
U.S. TREASURY BILL												
912797JB4	USB-12	Treasury Bill-Amortizing			Fair	3,359,592.48	4.925	3,386,987.88	12/31/2023	5.125	01/30/2024	29
912797HE0	USB-13	Treasury Bill-Amortizing			Fair	11,628,827.96	5.000	11,772,287.68	12/31/2023	5.343	10/31/2024	304
Subtotal and Average					14,988,420.44			15,159,275.56		5.340		244
U. S. TREASURY NOTES												
912828252	USB-10	Treasury Notes Securities			Fair	8,035,851.31	1.375	8,122,735.39	12/31/2023	4.093	01/31/2025	396
91282CGX3	USB-11	Treasury Notes Securities			Fair	8,039,879.90	3.875	8,112,489.72	12/31/2023	4.949	04/30/2025	485
91282CAB7	USB-14	Treasury Notes Securities			Fair	8,215,606.30	0.250	8,349,075.80	12/31/2023	5.039	07/31/2025	577
9128283V0	USB-15	Treasury Notes Securities			Fair	489,642.10	2.500	494,139.36	12/31/2023	5.243	01/31/2025	396
91282CEK3	USB-16	Treasury Notes Securities			Fair	11,773,361.37	2.500	11,828,886.68	12/31/2023	5.441	04/30/2024	120
9128284M9	USB-17	Treasury Notes Securities			Fair	625,487.03	2.875	631,891.36	12/31/2023	5.129	04/30/2025	485
91282CFA4	USB-18	Treasury Notes Securities			Fair	11,869,314.50	3.000	11,935,479.60	12/31/2023	5.436	07/31/2024	212
91282CDVO	USB-5	Treasury Notes Securities			Fair	7,377,312.75	0.875	7,693,443.20	12/31/2023	4.576	01/31/2024	30
912828YM6	USB-6	Treasury Notes Securities			Fair	7,120,136.45	1.500	7,319,179.53	12/31/2023	4.355	10/31/2024	304
912828X70	USB-7	Treasury Notes Securities			Fair	7,330,453.97	2.000	7,532,302.36	12/31/2023	4.584	04/30/2024	120
9128282N9	USB-8	Treasury Notes Securities			Fair	7,282,780.07	2.125	7,458,024.18	12/31/2023	4.528	07/31/2024	212
91282CDV0	USB-9	Treasury Notes Securities			Fair	8,154,384.72	0.875	8,442,856.32	12/31/2023	4.758	01/31/2024	30
Subtotal and Average					86,314,210.47			87,920,503.50		4.936		250
Total and Average					177,577,328.55			179,354,476.70		4.392		142



City of Gilroy
Purchases Report
 Sorted by Type -Type
 October 1, 2023 - December 31, 2023

City of Gilroy
 7351 Rosanna Street
 Gilroy, CA 95020
 (408)846-0294

CUSIP	Investment #	Type	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
NOT CALLABLE										Purchase			
912797JB4	USB-12	NOT	ATD	USTB	3,401,000.00	11/02/2023	01/30 -At Maturity	3,359,592.48		4.925	01/30/2024	5.055	3,387,507.66
912797HE0	USB-13	NOT	ATD	USTB	12,248,000.00	11/02/2023	10/31 -At Maturity	11,628,827.96		5.000	10/31/2024	5.270	11,730,889.29
91282CAB7	USB-14	NOT	TRC	USTN	8,915,000.00	11/07/2023	01/31 - 07/31	8,215,606.30	5,995.82	0.250	07/31/2025	5.039	8,276,471.26
9128283V0	USB-15	NOT	TRC	USTN	506,000.00	11/07/2023	01/31 - 07/31	489,642.10	3,403.13	2.500	01/31/2025	5.243	491,636.97
91282CEK3	USB-16	NOT	TRC	USTN	11,938,000.00	11/07/2023	04/30 -Final Pmt.	11,773,361.37	5,739.42	2.500	04/30/2024	5.441	11,825,104.94
9128284M9	USB-17	NOT	TRC	USTN	646,000.00	11/07/2023	04/30 - 10/31	625,487.03	357.16	2.875	04/30/2025	5.129	627,576.31
91282CFA4	USB-18	NOT	TRC	USTN	12,078,000.00	11/07/2023	01/31 - 07/31	11,869,314.50	97,477.34	3.000	07/31/2024	5.436	11,912,302.15
Subtotal					49,732,000.00			47,961,831.74	112,972.87				48,251,488.58
Total Purchases					49,732,000.00			47,961,831.74	112,972.87				48,251,488.58



City of Gilroy Maturity Report

Sorted by Maturity Date

Amounts due during October 1, 2023 - December 31, 2023

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020
(408)846-0294

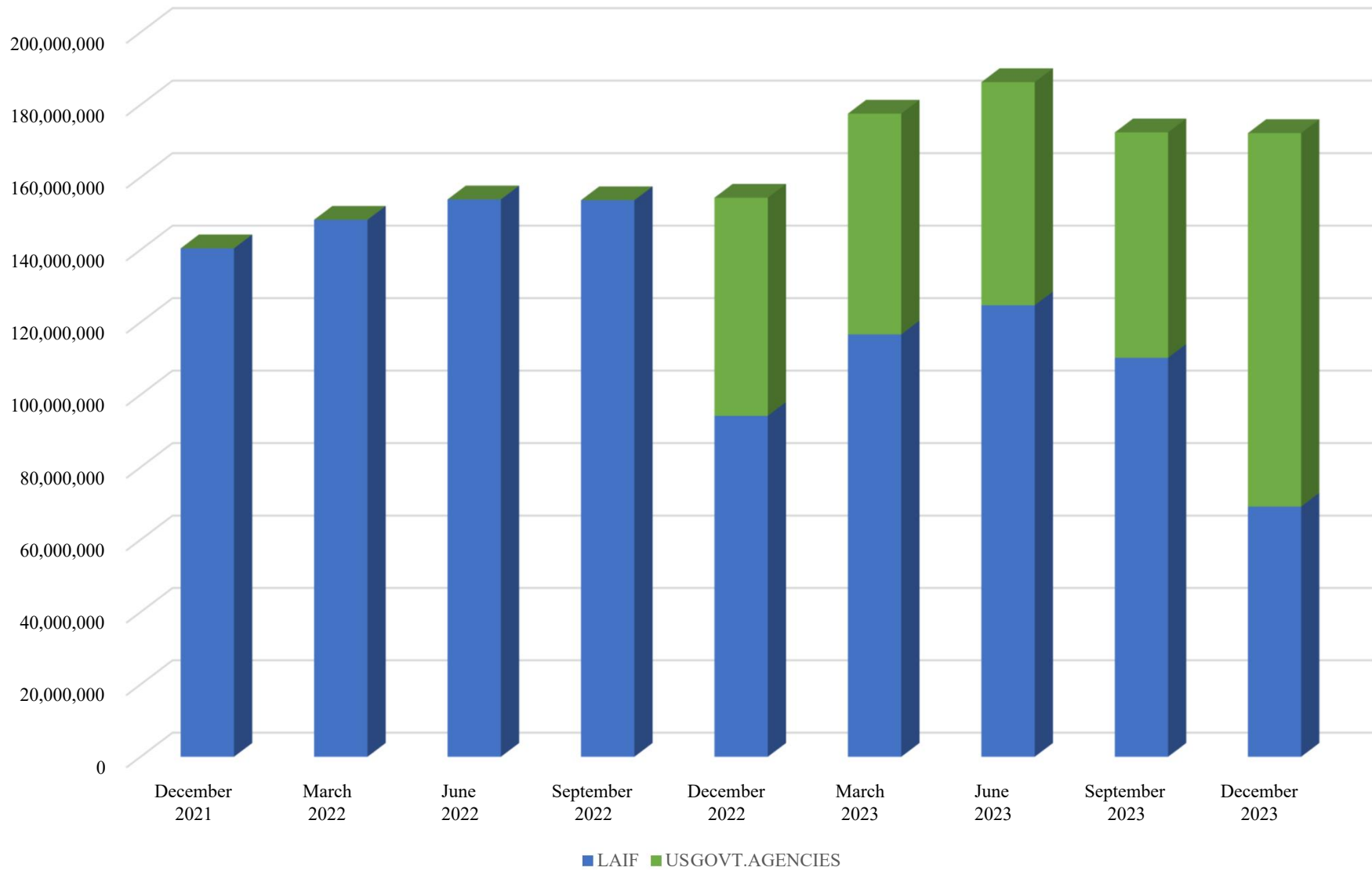
CUSIP	Investment#	Type	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date at Maturity	Rate	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
91282CDD0	USB-4	NOT	TRC	USTN	7,771,000.00	10/31/2023	11/01/2022	0.375	7,771,000.00	14,570.63	7,785,570.63	14,570.63
Total Maturities					7,771,000.00				7,771,000.00	14,570.63	7,785,570.63	14,570.63

Quarterly Movement over the Last 4 Quarters

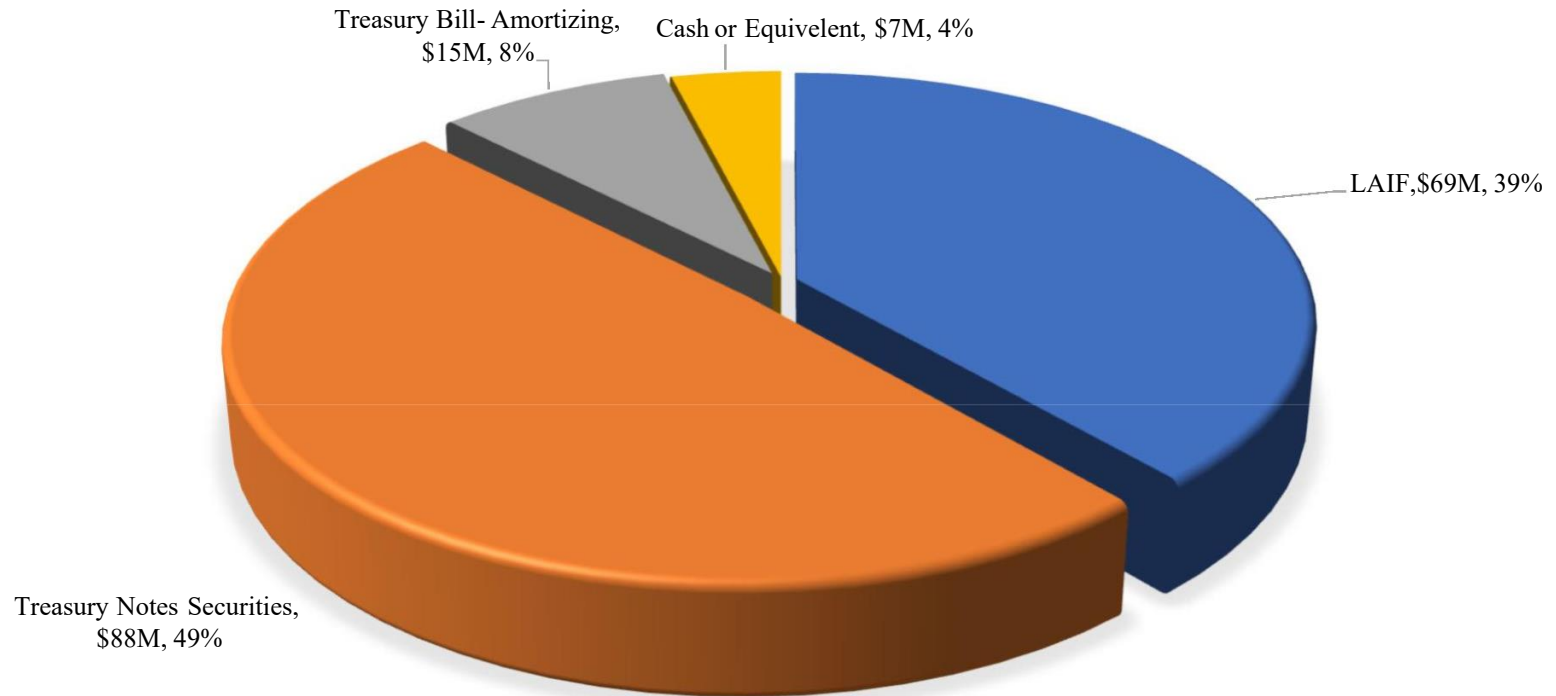
DESCRIPTION	MAR	JUN	SEP	DEC	% of Total
	2023	2023	2023	2023	DEC
LAIF:					
CITY OF GILROY	36,912,724	45,121,206	30,016,288	28,719,992	16.68%
GILROY INDUSTRIAL DEV AGENCY	74,431,995	74,233,655	74,821,324	35,000,001	20.33%
LIBRARY	5,304,370	5,340,121	5,382,048	5,430,581	3.15%
SUB TOTAL	116,649,089	124,694,981	110,219,660	69,150,575	40.16%
CERTIFICATE OF DEPOSITS					
US GOVERNMENTAL AGENCIES:					
TREASURY NOTES SECURITIES	60,916,089	61,547,102	62,171,563	87,926,764	51.06%
TREASURY BILL-AMORTIZING	0	0	0	15,118,397	8.78%
FEDERAL NATIONAL MORTGAGE AGCY					
FEDERAL AGRICULTURAL MORTGAGE AGCY					
FEDERAL HOME LOAN BANK					
FEDERAL HOME LOAN MORTGAGE CORP					
FEDERAL FARM CREDIT BANK					
SUB TOTAL	60,916,089	61,547,102	62,171,563	103,045,161	59.84%
GRAND TOTAL (Book Value)	177,565,178	186,242,083	172,391,223	172,195,736	100.00%

Note: The LAIF balance shown for Dec 2023, includes \$5,430,581.32 in bond proceeds from the Gilroy Library 2010 Bonds that can be used exclusively for the construction of the library.

City of Gilroy
Investments From:
December 31, 2021 to December 31, 2023

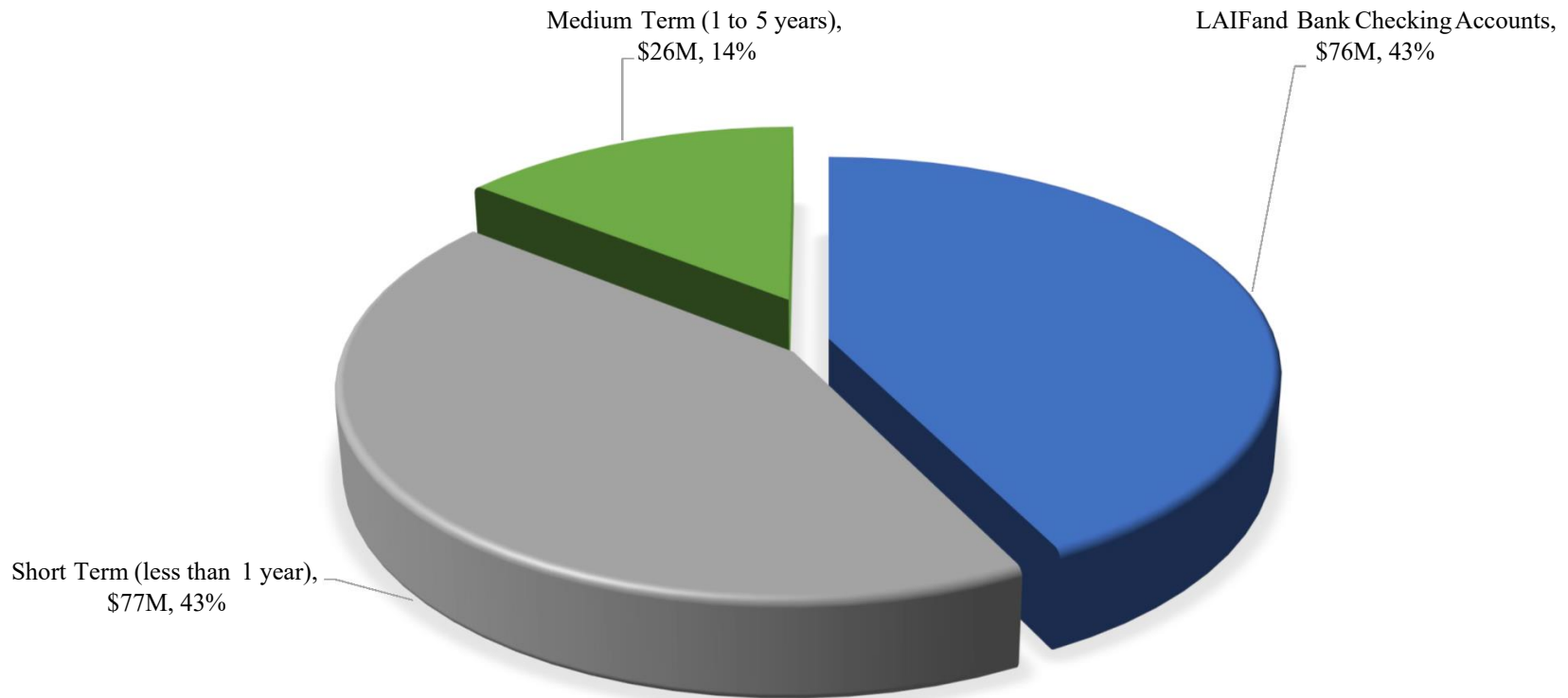


Book Value by Investment Type As of December 31, 2023



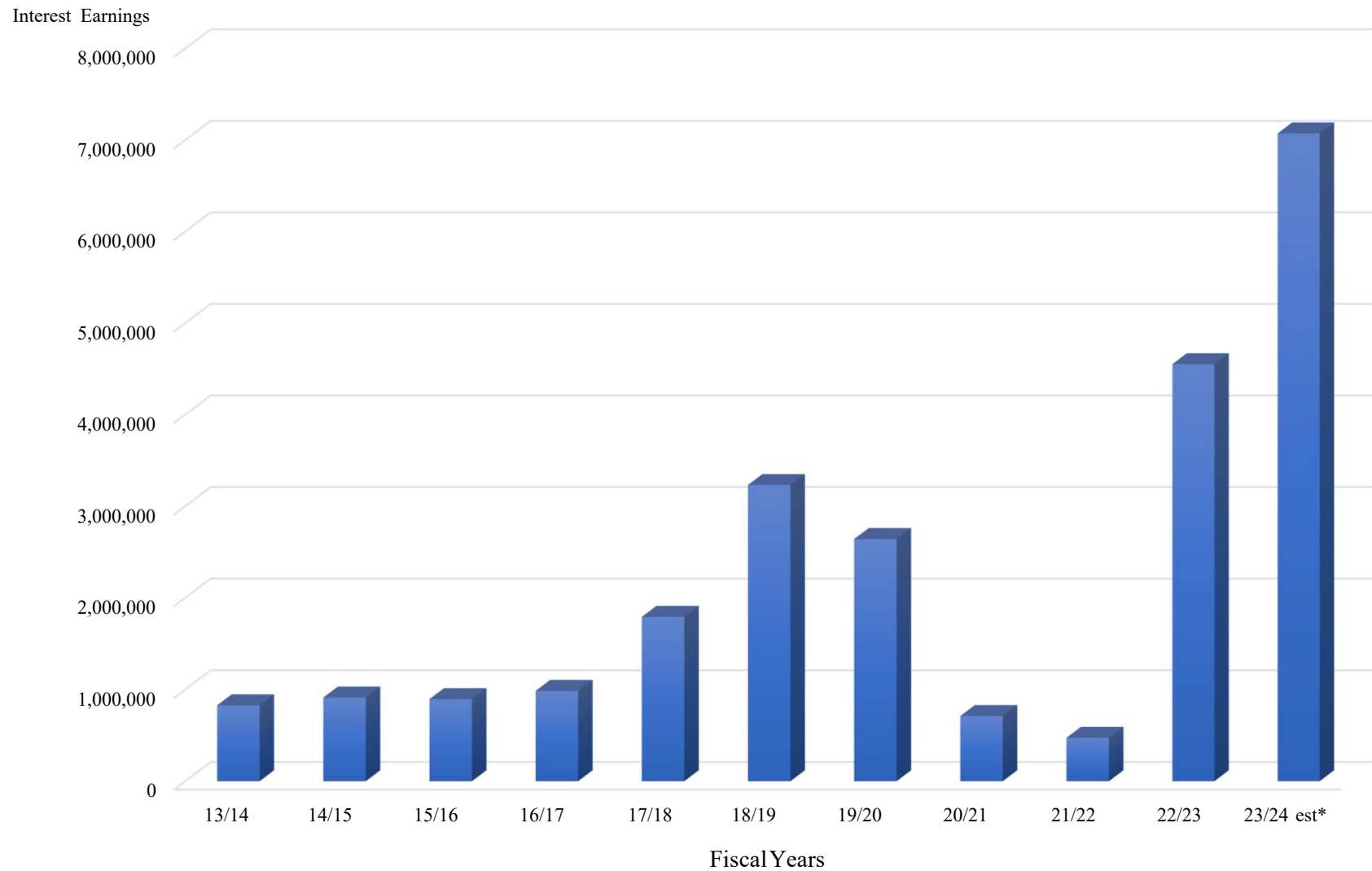
Value of Portfolio: \$179,319,859

Portfolio By Maturity As Of December 31, 2023



Value of Portfolio: \$179,319,859

City of Gilroy Interest Earnings FY2014- FY2024



*Estimate of full year interest earnings for FY23/24

CITY OF GILROY
MONIES HELD BY FISCAL AGENTS

DESCRIPTION	VALUE ** AS OF 12/31/23
HIGHWAY 152 SPECIAL TAX BONDS SERIES 2018	
SPECIAL TAX FUND - Bond REVENUE - HELD BY U.S. BANK - GL Acct 810-10435 GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W265	6,970.33
RESERVE FUND - HELD BY U.S. BANK - GL Acct 810-10430 GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W265	295,473.62
SPECIAL TAX FUND - INTEREST ACCOUNT - HELD BY U.S. BANK - GL Acct 810-10550 GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W265	0.12
SPECIAL TAX FUND - PRINCIPAL ACCOUNT - HELD BY U.S. BANK - GL Acct 810-10445 GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W265	0.63
GILROY PUBLIC FACILITIES FINANCING AUTHORITY REFUNDING LEASE REV BONDS 2020A	
REVENUE FUND - HELD BY U.S. BANK - GL Acct 520-10435 GOLDMAN SACHS FINANCIAL SQUARE MMKT #466, CUSIP #38141W265	158.97
INTEREST ACCOUNT - HELD BY U.S. BANK - GL Acct 520-10440 GOLDMAN SACHS FINANCIAL SQUARE MMKT #466, CUSIP #38141W265	197.61
PRINCIPAL ACCOUNT - HELD BY U.S. BANK - GL Acct 520-10445 GOLDMAN SACHS TR FINL SQ GV ADM #466, CUSIP #38141W265	547.39
GILROY PUBLIC FACILITIES FINANCING AUTHORITY REFUNDING LEASE REV BONDS 2022A	
INTEREST ACCOUNT - HELD BY U.S. BANK - GL Acct 510-10440 FIRST AM.GOV'T OB FD CL D, CUSIP #31846V401, U.S. TREASURY BILL #912796C31	45.11
PRINCIPAL ACCOUNT - HELD BY U.S. BANK - GL Acct 510-10445 FIRST AM.GOV'T OB FD CL D, CUSIP #31846V401, U.S. TREASURY BILL #912796C31	141.08
GILROY PUBLIC FACILITIES FINANCING AUTHORITY WASTEWATER REV BONDS 2021A	
BOND PAYMENT FUND - HELD BY U.S. BANK - GL ACCT 700-10428 FIRST AM.GOV'T OB FD CL D, CUSIP #31846V401, U.S. TREASURY BILL #912796C31,	1,382.83
ACQUISITION AND CONSTRUCTION FUND - HELD BY U.S. BANK - GL Acct 700-10426 FIRST AM.GOV'T OB FD CL D, CUSIP #31846V401 LAIF MONEY MARKET FUND #5399989H9	1,380.58 19,896,321.57
GILROY POST - EMPLOYMENT BENEFITS TRUST HELD BY PARS	3,804,562.68
TOTAL	24,007,182.52

**Market Values reported by U.S. Bank



City of Gilroy

STAFF REPORT

Agenda Item Title: Approval of Final Map and PIA Tract 10594 700 W. 6th Street Subdivision

Meeting Date: February 26, 2024

From: Jimmy Forbis, City Administrator

Department: Public Works

Submitted By: Heba El-Guindy, Public Works Director

Prepared By: Jorge Duran, Development Engineer

STRATEGIC PLAN GOALS

Promote Economic Development Activities

RECOMMENDATION

Approve the Final Map and Property Improvement Agreement No. 2023-02 for the 700 W 6th Street Development, Tract 10594, APN's 799-26-033, 799-26-037, 799-26-049, 799-26-050, 799-26-051, and 799-269-052.

BACKGROUND

On May 11, 2022, Warmington Residential submitted an application requesting a tentative map to subdivide 3.70 acres into 19 single family residential lots.

On July 7, 2022, the Planning Commission considered Tentative Map 22-01 in accordance with the Gilroy Zoning Code, and other applicable standards and regulations, and found that it conformed to the City's General Plan and recommend Tentative Map 22-01 for Council approval.

On August 1, 2022, Warmington Residential received Tentative Map Approval (TM 22-01) to subdivide 3.70 acres into 19 single family residential lots with 0.26 acres of private open space, and 0.35 acres to be used for a private street. The subject property is located at 700 W 6th Street, Tract 10594, APN's 799-26-033, 799-26-037, 799-26-049, 799-26-050, 799-26-051, and 799-269-052. [Reference: Resolution No. 2022-57 and TM 22-01]

DISCUSSION

The owner and developer are requesting City Council approval of the Tract 10594 Final Map and to enter into a Property Improvement Agreement (PIA 2023-02) with the City for the project's public improvements. These improvements include new street construction, grading, paving, curb, gutter, sidewalk, landscape, lighting, storm drain, water, sewer, undergrounding of overhead utilities, 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 \$2,201,728.00 for 100% of the estimated construction cost of the improvements.

The Tract 10594 Final Map and Property Improvement Agreement 2023-02 are ready for recording with Santa Clara County upon approval by Council.

ALTERNATIVES

Council may deny the request to approve the Property Improvement Agreement (PIA 2023-02). Staff does not recommend this option because it will impose unnecessary delay for the development of the site.

FISCAL IMPACT

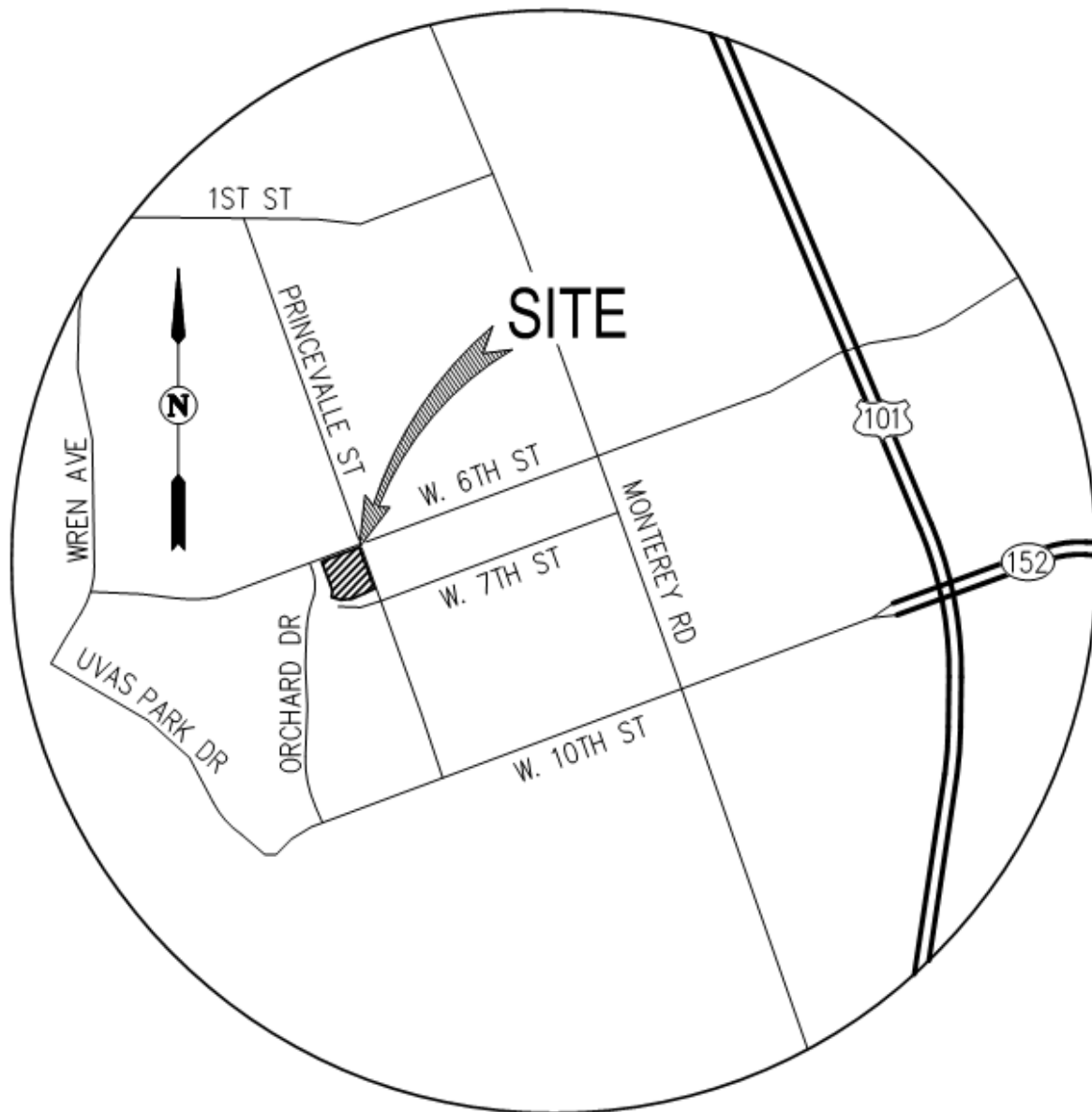
There is no net impact to the General Fund. Plan check and inspection fees have been collected to cover the costs associated with this action. The Developer has submitted bonding and insurance for the above-referenced Property Improvement Agreement and Final Map.

Attachments:

1. Exhibit A - Vicinity Map
2. Exhibit B - PIA
3. Exhibit C - Final Map

700 W. 6TH STREET TRACT 10594

7.3



VICINITY MAP

NOT TO SCALE

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. 2023-02

Heritage on 6th – TRACT 10594

APN: 799-26-033, 037, 049, 050, 051, 052

Warmington 6th Street Gilroy LLC

PROPERTY IMPROVEMENT AGREEMENT
RESIDENTIAL

AGREEMENT FOR IMPROVEMENT OF STREETS AND
 OTHER PUBLIC WORKS FACILITIES
 Property Improvement Agreement No. 2023-02

This Property Improvement Agreement (“Agreement”) is made and entered into this ____ day of _____ 20____, by and between the City of Gilroy, a municipal corporation, herein called the “City,” and Warmington 6th Street Gilroy LLC, herein called the “Developer”.

WHEREAS, a final map of subdivision or building permit (Site Clearance) application has been submitted to the City for approval and acceptance, covering certain real estate and property improvements on the Subdivision known as and called Heritage on 6th, a legal description of which is attached hereto and incorporated herein as Exhibit “A” (the “Property”), and as described in the project improvement plans entitled 700 W. 6th Street Improvement Plans Tract 10594, as Exhibit B.

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 current Zoning Ordinance, and the currently adopted Uniform Building Code.

SECTION 2

The Developer agrees:

- a. To perform each and every provision required by the City to be performed by the Developer in each and 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. Developer further agrees and acknowledges that it is its obligation to determine whether, and to what extent, the work performed 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 contracting 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, storm drain, and/or sewer lines in or to said Property may be extended.
- c. To indemnify, defend with counsel of City's choice 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) 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 work 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.
- d. To construct and improve all public works facilities and other improvements described in this Agreement and the improvement plans submitted to the City of Gilroy entitled 700 W. 6th Street Improvement Plans Tract 10594 shown as Exhibit B, in furtherance of this Agreement on file with the City of Gilroy. All construction and improvements shall be completed 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 Faithful 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 Faithful Performance Bond shall be in an amount not less than one hundred percent (100%) of the total estimated amount payable for the improvements described in this Agreement, 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 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 improvements described in this Agreement. 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.

Simultaneously with the submission of its building permit application (Site Clearance), the Developer shall submit the following for both the surety that furnishes the Payment Bond and the surety that furnishes the Faithful Performance Bond: (1) a current printout from California Department of Insurance's website (www.insurance.ca.gov) showing that the surety is permitted 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.

- 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 Council approval of the final map of the subdivision. Upon approval of the final map or the building permit covering the real estate to be improved and before any work is done therein, 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 improvements constructed by Developer are accepted by City, Developer shall, at no cost to City obtain and maintain (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 work described in this Agreement, 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 claim made basis and shall be issued by insurance companies acceptable to City. Prior to commencing any work pursuant this Agreement, 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

That all the provisions of this Agreement and all work to be done pursuant to the terms of this Agreement are to be completed to City's satisfaction within two year from and after the date and year of this Agreement first above written. Developer shall maintain such public works facilities and other improvements described in this Agreement 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 real property and runs with the land. Except as expressly provided in the second sentence of Item 34 of the general stipulations set forth in Section 6 below (relating to the payment of reimbursement to the original Developer 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 fees 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.

SECTION 6

1. That the following general stipulations shall be completed subject to the approval of the Public Works Director/City Engineer.
2. The Project shall comply with all Tentative Map conditions and applicable mitigation measures as contained in City Council Resolution 2022-57 (TM 22-01approval).
3. All work within the public right-of-way shall be subject to the approval of the City Engineer.
4. The Developer shall perform all work in compliance with the City of Gilroy Specifications Standards Design Criteria and is subject to all laws of this community by reference. Street improvements and the design of all storm drainage, sewer lines, and all street sections shall be in accordance with City Standards Plans and shall follow the most current City Master plan for streets and each utility.
5. 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. This condition is imposed pursuant to California Government Code Section 66474.9.

6. No building permit shall be issued in connection with this project if the Owner or Developer of such development (i) is not in compliance with the City's Residential Development Ordinance (City Zoning Ordinance Sections 50.60 et seq.) referred to as the RDO, any conditions of approval issued in connection with such development or other City requirements applicable to such development; or (ii) is in default under any agreement entered into with the City in connection with such development pursuant to the RDO. The project must also comply with any of condition of exemption granted from the RDO, including but not limited to time limits in obtaining City approvals and completion of construction of the dwelling units.
7. The City shall be notified at least three (3) weeks prior to the start of any construction work and at that time the contractor shall provide a project schedule and a 24-hour emergency telephone number list.
8. At least three weeks prior to commencement of work, the developer shall post the site and mail to owners of property within (500') five hundred feet of the exterior boundary of the project site, to the homeowner associations of nearby residential projects and to the Engineering Division, a notice that construction work will commence on or around the stated date. The notice shall include a list of contact persons with name, title, phone number and area of responsibility. The person responsible for maintaining the list shall be included. The list shall be current at all times and shall consist of persons with authority to initiate corrective action in their area of responsibility. The names of individuals responsible for dust, noise and litter control shall be expressly identified in the notice.
9. The developer shall create prior to construction, for City Engineer approval, a construction staging plan that addresses the ingress and egress location for all construction vehicles, employee parking and material storage area separate from occupied residential units. All construction vehicles, employee parking, and material storage shall be contained within the project boundary and there shall be no impact to public right of way or easements.
10. All area within 15-ft of the existing south boundary wall shall not be disturbed until a wall assessment is complete to determine that wall is not impacted by the site improvements. Wall assessment shall be prepared by the Geotechnical Engineer and approved by the City prior to any construction or disturbance within 15-ft of the existing boundary wall. Install temporary orange construction fence 15-ft from existing wall along project boundary.
11. Schedule the construction of improvements along existing public roads so that the work affecting vehicular traffic is completed with a minimum interruption to traffic.
12. All work shall be coordinated so that the existing residents on all adjacent streets have access to their properties.
13. 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.
14. Developer shall submit for City approval a critical path construction schedule from start of construction to final occupancy, which shall include a detailed phasing plan (including traffic control

for each proposed phase). Schedule shall be approved prior to start of construction. Any deviation from the approved construction schedule and phasing plan shall be coordinated with the City Engineer. Deviating from the approved construction schedule and phasing plan without prior coordination with the City Engineer may prolong issuance of further building permits. In addition, a 5-week look-ahead schedule shall be provided weekly for general site inspection coordination and construction management.

- (a) 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.
15. One hard copy and electronic copy of the approved/stamped PG&E Joint Trench Plans shall be submitted to the Engineering Division for approval. PG&E approved plans shall incorporate any and all City comments related to Joint Trench scope of work. The Developer will not be allowed to commence joint trench work “at-risk” without PG&E and City approval. The Developer assumes responsibility for any required redesign, and all costs associated with the redesign and additional city review resulting from final PG&E-approved joint trench plans. Design revisions and ultimate joint trench construction shall be completed to the satisfaction of the City Engineer.
16. No utility boxes are allowed to be constructed in the sidewalk.
17. The developer shall obtain the required Habitat Conservation Plan (HCP) Permit and pay the applicable fees prior to the issuance of grading permit work or improvement plan approval.
18. Site preparation and fill construction shall be conducted under the observation of, and tested by, a licensed soils or geotechnical engineer. A report shall be filed with the City of Gilroy stating that all site preparation and fill construction meets the requirements of the geotechnical investigation. This shall be subject to review and approval by the Building Division. [CBC]
19. All grading operations and soil compaction activities shall be per the approved soils report and shall meet with the approval of the City Engineer.
20. New and existing utility lines, appurtenances, and associated equipment, including but not limited to electrical transmission, street lighting, and cable television shall be required to be placed underground. [Municipal Code Section 21, Article V]
21. Construction activity shall be restricted to the period between 7:00 a.m. to 7:00 p.m. Mondays through Fridays. Saturday work is not allowed but can be requested for specific activities in writing. If approved, work hours shall be 9:00 a.m. to 7:00 p.m. and only with approval by the City Engineer and if City inspection services are available. Saturday work, if approved, will also require additional inspection overtime fees. No work shall be done on Sundays and City Holidays. The City Engineer will apply additional construction period restrictions, as necessary, to accommodate standard commute traffic along arterial roadways and along school commute routes.
22. Any damage resulting from project construction operations to existing city infrastructure on or adjacent to the subject property shall be repaired to the 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.

23. Offsite Frontage W. 6th Street and Princevalle Street improvements as shown in the 700 W. 6th Street Improvement Plans Tract 10594 shall be constructed as the first phase of work and shall be completed prior to the first building occupancy. This includes all pavement widening, pavement grinding and paving, microsurface, signing, striping, lighting, joint trench, underground rule 20, curb, gutter, sidewalk, landscape, storm drain, water, sanitary sewer, and stormwater management facilities.
24. It is the responsibility of the project's homeowner's association or other legal entity to maintain the landscaping fronting W 6th Street and Princevalle Street . Prior to the issuance of the first building permit or as otherwise determined by the City Engineer, the Developer of the site shall enter into a Landscape Installation and Maintenance Agreement with the City for landscaping within the City right-of-way. The Developer shall record this agreement, against the property or properties involved, with the County of Santa Clara and it shall be binding on all subsequent owners of land.
25. Grading and any site work between September 15 and April 15 will require a winterized grading work plan. The winterized grading work plan shall identify all active and non-active areas on site and shall include a 7-month schedule during the winter months. All non-active areas shall be hydroseeded or approved soil seal. All active areas shall identify and describe the following: construction activities, equipment, number of construction workers, and a written plan describing how these areas will be protected in any rain event. Site work of any kind and grading will not be allowed after September 15 unless a winterized grading plan is approved by the City Engineer.
26. This project is subject to post-construction stormwater quality requirements per Section 27D of the Gilroy Municipal Code.
27. Storm water BMP Operation and Maintenance Agreement
 - (a) Prior to the issuance of any building permit requiring stormwater management BMPs or as otherwise determined by the City Engineer, the owner(s) of the site shall enter into a formal written Stormwater BMP Operation and Maintenance Agreement with the City. The City shall record this agreement, against the property or properties involved, with the County of Santa Clara and it shall be binding on all subsequent owners of land served by the storm water management treatment BMPs. The City-standard Stormwater BMP Operation and Maintenance Agreement will be provided by Public Works Engineering.
 - (b) This Agreement shall require that the BMPs not be modified and BMP maintenance activities not alter the designed function of the facility from its original design unless approved by the City prior to the commencement of the proposed modification or maintenance activity.
 - (c) This Agreement shall also provide that in the event that maintenance or repair is neglected, or the stormwater management facility becomes a danger to public health or safety, the city shall have the authority to perform maintenance and/or repair work and to recover the costs from the owner.
 - (d) All on-site stormwater management facilities shall be operated and maintained in good condition and promptly repaired/replaced by the property owner(s), an owners' or homeowners' association or other legal entity approved by the City.
 - (e) Any repairs or restoration/replacement and maintenance shall be in accordance with City-approved plans.

- (f) The property owner(s) shall develop a maintenance schedule for the life of any stormwater management facility and shall describe the maintenance to be completed, the time period for completion, and who shall perform the maintenance. This maintenance schedule shall be included with the approved Stormwater Runoff Management Plan.

28. Stormwater BMP Inspections will be required for this project and shall adhere to the following:

- (a) The property owner(s) shall be responsible for having all stormwater management facilities inspected for condition and function by a knowledgeable third party.
- (b) Unless otherwise required by the City Engineer or designee, stormwater facility inspections shall be done at least twice per year, once in Fall, in preparation for the wet season, and once in Winter. Written records shall be kept of all inspections and shall include, at minimum, the following information:
 1. Site address;
 2. Date and time of inspection;
 3. Name of the person conducting the inspection;
 4. List of stormwater facilities inspected;
 5. Condition of each stormwater facility inspected;
 6. Description of any needed maintenance or repairs; and
 7. As applicable, the need for site re-inspection.

- 29. Upon completion of each inspection, an inspection report shall be submitted to Public Works Engineering no later than October 1st for the Fall report, and no later than March 15th of the following year for the Winter report.
- 30. A minimum of one exterior monument shall be set. Additional monuments can be required by the City Engineer or City Surveyor as deemed necessary. Location of monuments shall be tied out prior to work.
- 31. 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.
- 32. Bonding as required by section 2.d of this agreement will be accepted for the proposed improvements for an amount of \$2,201,728 as shown on the attached Cost Estimate spreadsheet.
- 33. If there are any reimbursements payable to the Developer, they must be specifically identified in this Agreement. Any such reimbursements shall be payable to the original Developer 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.

The Developer shall be reimbursed for the following traffic improvements and impact fee credits. Reimbursements for traffic improvements will be made as a credit to the Traffic Impact Fees. Reimbursements for the existing condition impact fee credits will be made as credit to their respective Impact Fee. Refer to the impact fee credit in Exhibit C City of Gilroy Public Works Department Engineering Division Cost Estimate (attached).

- a) W 6th. Street and Princevalle Intersection Curb Ramps: Total of two (2) curb ramps to be installed on the north-east and south-east quadrants of the intersection. The reimbursable amount for this work is \$10,000.00.
- b) W 6th Street Pavement Restoration: Total of 8150 sq-ft of 2-inch grind and pave, north half of W. 6th Street from the west boundary line to the intersection of W 6th & Princevalle Street. The reimbursable amount for this street segment is \$40,750.00.

SECTION 7

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

- 1. TOTAL AMOUNT DUE CITY **\$ 830,581.52**

CITY OF GILROY

By: _____

Jimmy Forbis
City Administrator

Date: _____

ATTEST:

Thai Pham, City Clerk

APPROVED AS TO FORM:

Andrew L. Faber, City Attorney

DEVELOPER:

Warmington 6th Street Gilroy LLC.

By: _____

Name: Michael G. Riddlesperger

Title: Chief Financial Officer

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

Real property in the City of Gilroy, County of Santa Clara, State of California, described as follows:
 PARCEL ONE:

A PORTION OF LOS ANIMAS RANCH LOT 16, AS SHOWN ON MAP NO. 7 ACCOMPANYING THE FINAL REPORT OF THE REFEREES IN THE PARTITION ACTION OF WENDY MILLER, ET AL, VS. MASSEY THOMAS, ET AL, IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF SANTA CLARA, CASE NO. 5536, AND BEING ALSO A PORTION OF THAT CERTAIN 169.06 ACRE TRACT CONVEYED BY MILLER & LUX INCORPORATED, A CORPORATION, TO F.E. STELLING BY DEED DATED JANUARY 27, 1927 AND RECORDED IN BOOK 296 OF OFFICIAL RECORDS, PAGE 249, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE INTERSECTION OF THE SOUTHERLY LINE OF SIXTH STREET WITH PROLONGATION OF THE WESTERLY LINE OF PRINCEVALE STREET AND RUNNING THENCE ALONG THE WESTERLY LINE OF PRINCEVALE STREET SOUTH 20°00' EAST 383.50 FEET; THENCE LEAVING THE WESTERLY LINE OF PRINCEVALE STREET SOUTH 70°00' WEST 202.88 FEET; THENCE NORTH 76°30' WEST 226.82 FEET; THENCE NORTH 20°01' WEST 258.27 FEET TO A POINT IN THE SOUTHERLY LINE OF SIXTH STREET; THENCE ALONG SAID SOUTHERLY LINE OF SIXTH STREET NORTH 69°49' EAST 392.11 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SIXTH STREET AT THE NORTHEAST CORNER OF LOT 14 OF TRACT NO. 4466, LOMA ORCHARD, UNIT NO 1, AS SHOWN ON MAP THEREOF FILED FOR RECORD IN BOOK 235 OF MAPS, AT PAGE 42, RECORDS OF SANTA CLARA COUNTY, AND RUNNING THENCE ALONG THE SOUTHERLY LINE OF SIXTH STREET NORTH 65°59' EAST 121.00 FEET; THENCE LEAVING SAID SOUTHERLY LINE SOUTH 11°30' EAST 19.00 FEET; THENCE ALONG A CURVE TO THE LEFT, FROM A TANGENT BEARING OF SOUTH 11°30' EAST HAVING A RADIUS OF 260 FEET THROUGH A CENTRAL ANGLE OF 66°30' FOR A DISTANCE OF 301.77 FEET; THENCE ALONG A NON-TANGENT LINE SOUTH 89°00' EAST 73.50 FEET; THENCE ALONG A CURVE TO THE RIGHT FROM A TANGENT BEARING OF NORTH 2°00' WEST HAVING A RADIUS OF 200 FEET, THROUGH A CENTRAL ANGLE OF 36°50' FOR A DISTANCE OF 128.57 FEET; THENCE ALONG A NON-TANGENT LINE NORTH 35°57'20" EAST 13.16 FEET TO THE WESTERLY LINE OF PRINCEVALE STREET; THENCE ALONG SAID WESTERLY LINE SOUTH 20°00' EAST 188.50 FEET; THENCE LEAVING THE WESTERLY LINE OF PRINCEVALE STREET SOUTH 70°00' WEST 202.88 FEET; THENCE NORTH 76°30' WEST 226.82 FEET; THENCE NORTH 20°01' WEST 258.27 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

ALL OF PARCEL A, AS SHOWN UPON THAT CERTAIN MAP ENTITLED, "PARCEL MAP PTN. OF LAS ANIMAS RANCH LOT NO. 16 LAS ANIMAS RANCHO PARTITION SUIT, MAP NO. 7 SUPERIOR COURT CASE NO. 5536", WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, ON DECEMBER 12, 1980 IN BOOK 477 OF MAPS, AT PAGES 1 AND 2.

PARCEL THREE:

A PORTION OF PARCELS B AND D IN THE CITY OF GILROY, STATE OF CALIFORNIA AS SHOWN ON THE PARCEL MAP FILED DECEMBER 12, 1980 IN BOOK 477 OF MAPS, AT PAGES 1 AND 2 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE AT A COMMON CORNER OF PARCEL A AND D DISTANT S. 20°01' E., 258.27 FEET FROM THE SOUTHERLY RIGHT OF WAY OF SIXTH STREET (80 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG THE WESTERLY LINE OF PARCEL D AS SHOWN ON SAID MAP, S. 13°30' W., 44.81 FEET; THENCE ALONG THE NEW COMMON LINE OF PARCELS B AND D, S. 76°30' E., 181.30 FEET;

THENCE ALONG A CURVE TO THE LEFT WITH A RADIUS OF 300 FEET, THROUGH A CENTRAL ANGLE OF 07°51'52", AN ARC LENGTH OF 41.18 FEET; THENCE FROM A TANGENT BEARING OF N. 53°56'38" E., ALONG A CURVE TO THE LEFT WITH A RADIUS OF 245 FEET, THROUGH A CENTRAL ANGLE OF 43°41'08", AN AND LENGTH OF 186.80 FEET; THENCE ALONG THE PERIMETER OF PARCEL B AS SHOWN ON SAID MAP, N. 89°00' W. 73.50 FEET; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 260 FEET, THROUGH A CENTRAL ANGLE OF 27°45'31" AN ARC LENGTH OF 125.97 FEET; THENCE S. 47° W., 68.79 FEET; THENCE S. 49° E., 15.00 FEET; THENCE S. 38° W., 85.00 FEET; THENCE N. 76°30' W., 27.00 FEET TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE LOT LINE ADJUSTMENT, RECORDED MAY 3, 1990, AS DOCUMENT NO. 10510443 OF OFFICIAL RECORDS.

PARCEL FOUR:

A PORTION OF PARCELS B, C AND D IN THE CITY OF GILROY, STATE OF CALIFORNIA AS SHOWN ON THE PARCEL MAP FILED DECEMBER 12, 1980 IN BOOK 477 OF MAPS, AT PAGE 1 AND 2, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHERLY CORNER OF PARCEL C ON THE WESTERLY RIGHT OF WAY OF PRINCEVALLE STREET (60 FEET WIDE), DISTANT S. 20° E., 195.07 FEET FROM THE SOUTHERLY RIGHT OF WAY OF SIXTH STREET (80 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG THE WESTERLY RIGHT OF WAY OF PRINCEVALLE STREET, S. 20°E., 250.58 FEET; THENCE S. 70° W., 100.00 FEET; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 300 FEET, THROUGH A CENTRAL ANGLE OF 25°38'08", AN ARC LENGTH OF 134.23 FEET; THENCE FROM A TANGENT BEARING OF N. 53°57'58" E., ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 245 FEET, THROUGH A CENTRAL ANGLE OF 43°41'08", AN ARC LENGTH OF 186.80 FEET TO THE POINT OF REVERSE CURVATURE WITH A CURVE TO THE RIGHT WITH A RADIUS OF 200 FEET, THROUGH A CENTRAL ANGLE OF 36°50' AN ARC LENGTH OF 128.57 FEET; THENCE N. 35°57'20" E., 13.17 FEET TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE LOT LINE ADJUSTMENT, RECORDED MAY 3, 1990, AS DOCUMENT NO. 10510443 OF OFFICIAL RECORDS.

APN: 799-26-033 (Parcel One);

799-26-037 (Parcel Two);

799-26-049 and 799-26-050 (Parcel Three); and

799-26-051 and 799-26-052 (Parcel Four)

EXHIBIT B – Cover Sheet Improvement Plans

[illegible]

EXHIBIT C

**CITY OF GILROY
PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
COST ESTIMATE
EFFECTIVE 7/1/2023**

ENCOMPASS NO:	E1			Revised:	2/12/2024
DATE:				Revision Number:	3
NUMBER:				Revision By:	JJC
PROJECT LOCATION:					
PARCEL NUMBER:					
OWNER/DEVELOPER:					
MAILING ADDRESS:					
TELEPHONE NO:					
PREPARED BY:					

Account No.	Key Code	Fee:	Credits:	Amount Due:	Account Description	Paid on Invoice #
100-2601-0000-3625	4904	\$11,206.00		\$11,206.00	Special Public Works Serv	
100-2601-0000-3605	4702	\$196,051.23	\$20,000.00	\$176,051.23	Eng Plan Check & Insp	\$20,000.00, Project Number 22090030
420-2600-0000-3660	4501	\$2,279.20	\$2,143.89	\$135.31	Storm Development Fee	
432-2600-0000-3660	3301	\$3,183.60	\$361.20	\$2,822.40	Str Tree Development Fee	
433-2600-0000-3660	4905	\$254,638.00	\$240,027.00	\$14,611.00	Traffic Impact Fee	
435-2600-0000-3660	4509	\$259,540.00	\$45,110.25	\$214,429.75	Sewer Development Fee	
436-2600-0000-3660	4510	\$89,167.00	\$20,466.22	\$68,700.78	Water Development Fee	
440-2600-0000-3660	4515	\$442,624.00	\$101,089.95	\$341,534.05	Public Facility Fee	
		\$1,091.00		\$1,091.00	Stormwater Management Fee	
		\$0.00		\$0.00	Stormwater Trash	
720-0433-0000-3620	2202	\$0.00		\$0.00	Const Water Use Fee	
801-2601-PWD0-3899	4703	\$0.00		\$0.00	Reimbursements	
801-2601-PWD0-3899	4703	\$0.00		\$0.00	Other Reimbursements	
Fee Total		\$1,259,780.03		Total	\$830,581.52	

Payment Bond Amount for all improvements	\$2,201,728
Performance Bond Amount for all improvements	\$2,201,728

* Developer to make payment for these items, due prior to City Council Approval.

OWNER'S STATEMENT

WE, THE UNDERSIGNED, DO HEREBY STATE THAT THEY ARE THE OWNERS OF OR HAVE SOME RIGHT, TITLE, OR INTEREST IN AND TO THE REAL PROPERTY SHOWN ON THE SUBDIVISION WITHIN THE DISTINCTIVE SYMBOL LINE OF THIS FINAL MAP, CONSISTING OF SIX (6) SHEETS, THIS STATEMENT BEING ON SHEET ONE(1) THEREOF; THAT THEY ARE THE ONLY PERSON WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID REAL PROPERTY; THAT THEY HAVE CAUSED THIS MAP TO BE PREPARED FOR RECORD, AND DO CONSENT TO THE MAKING AND FILING OF THIS MAP.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: EASEMENTS TO THE CITY OF GILROY FOR INGRESS AND EGRESS OF EMERGENCY VEHICLES OVER THOSE CERTAIN AREAS DESIGNATED AS "EMERGENCY VEHICLE ACCESS EASEMENT" (EVAE). THE ABOVE-MENTIONED EASEMENTS SHALL REMAIN OPEN AND FREE FROM BUILDINGS AND STRUCTURES AND THEIR APPURTENANCES.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: EASEMENTS TO THE CITY OF GILROY FOR ANY AND ALL PUBLIC SERVICE PURPOSES INCLUDING, BUT NOT LIMITED TO, THE CONSTRUCTION AND MAINTENANCE OF POLES, WIRES, AND CONDUITS FOR STORM DRAINS, SANITARY SEWERS, WATER LINES, GAS LINE, ELECTRIC LINES, TELEPHONE LINES, TELEVISION AND TRAFFIC SIGNAL FACILITIES, PUBLIC UTILITIES, AND APPURTENANCES TO ALL THE ABOVE, OVER, UNDER, OR ACROSS THOSE CERTAIN AREAS DESIGNATED AS "PUBLIC SERVICE EASEMENT" (PSE). THE ABOVE MENTIONED EASEMENTS SHALL REMAIN OPEN AND FREE FROM BUILDINGS AND STRUCTURES AND THEIR APPURTENANCES, EXCEPT FOR IRRIGATION SYSTEMS AND THEIR APPURTENANCES, LAWFUL FENCES, WALKWAYS, AND ALL LAWFUL UNSUPPORTED ROOF OVERHANGS.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: EASEMENTS TO THE CITY OF GILROY FOR PEDESTRIAN SIDEWALK ACCESS OVER THOSE CERTAIN AREAS DESIGNATED AS "SIDEWALK EASEMENT" (SWE). THE ABOVE-MENTIONED EASEMENTS SHALL REMAIN OPEN AND FREE FROM BUILDINGS AND STRUCTURES AND THEIR APPURTENANCES.

THE UNDERSIGNED HEREBY STATE THAT THE STREET DESIGNATED AS (PRIVATE) WITHIN THIS SUBDIVISION AND SHOWN AS "PARCEL A" ("ALES COURT") IS RESERVED FOR THE BENEFIT OF THE OWNERS OF LOTS CREATED BY THIS MAP, SHALL BE CONVEYED TO AND MAINTAINED BY THE HOMEOWNERS ASSOCIATION CREATED FOR THE "TRACT 10594, 700 WEST 6TH STREET", AND ARE NOT OFFERED FOR DEDICATION TO THE PUBLIC.

THE UNDERSIGNED HEREBY RESERVE AS "OPEN SPACE" FOR LANDSCAPING, STORM WATER MANAGEMENT, AND PARK AND RECREATION PURPOSES, "PARCEL B" THE ABOVE-MENTIONED PARCEL SHALL BE CONVEYED TO AND MAINTAINED BY THE HOMEOWNERS ASSOCIATION CREATED FOR THE "TRACT 10594, 700 WEST 6TH STREET"

SUBDIVIDER 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, OFFICERS OR EMPLOYEES, TO ATTACK, SET ASIDE, VOID OR ANNUL AN APPROVAL OF THE CITY, CITY COUNCIL, PLANNING COMMISSION, OR OTHER BOARD, ADVISORY AGENCY OR LEGISLATIVE BODY CONCERNING THIS SUBDIVISION. CITY WILL PROMPTLY NOTIFY THE SUBDIVIDER OF ANY CLAIM, ACTION, OR PROCEEDING AGAINST IT AND WILL COOPERATE FULLY IN THE DEFENSE. THIS CONDITION IS IMPOSED PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 66474.9.

WARMINGTON GILROY 6TH STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: WRG BUILDER V. L.P., A CALIFORNIA LIMITED PARTNERSHIP, ITS MANAGER

BY: WARMINGTON RESIDENTIAL CALIFORNIA, INC., A CALIFORNIA CORPORATION, ITS GENERAL PARTNER

BY: Michael Riddleberger

NAME (PRINT): Michael Riddleberger

ITS: CEO

DATE: 12/21/2023

OWNER'S ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CA } SS.

COUNTY OF Orange

ON 12/21/23, BEFORE ME, J. Cresap, A NOTARY PUBLIC, PERSONALLY APPEARED Michael Riddleberger, 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/HE/THEY EXECUTED THE SAME IN HIS/HER/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE: J. Cresap

NAME (PRINT): Jill Cresap

PRINCIPAL COUNTY OF BUSINESS: Orange

MY COMMISSION NUMBER: 2341651

MY COMMISSION EXPIRES: 11/10/25

TRACT 10594 700 WEST 6TH STREET

CONSISTING OF 6 SHEETS
BEING ALL OF THE LANDS DESCRIBED IN THE "GRANT DEED"
RECORDED DECEMBER 15, 2023, AS DOCUMENT NO. 25575796,
OFFICIAL RECORDS OF SANTA CLARA COUNTY

CITY OF GILROY, SANTA CLARA COUNTY, STATE OF CALIFORNIA,
AND CONTAINING 3.699 ACRES



CIVIL ENGINEERS

SAN RAMON • (925) 866-0322
ROSEVILLE • (916) 788-4456
WWW.CBANDG.COM
• SURVEYORS • PLANNERS
DECEMBER 2023

BENEFICIARY'S STATEMENT

THE UNDERSIGNED, AS BENEFICIARY UNDER THE DEED OF TRUST RECORDED ON DECEMBER 15, 2023, AS DOCUMENT NUMBER 25575797 OF OFFICIAL RECORDS, SANTA CLARA COUNTY, CALIFORNIA; DOES HEREBY JOIN IN AND CONSENT TO THE FOREGOING OWNERS STATEMENT AND ALL DEDICATIONS SHOWN HEREIN.

FIRST BANK, A MISSOURI STATE-CHARTERED BANK

BY: Andrew Zinn

NAME (PRINT): Andrew Zinn

TITLE: Senior Vice President

DATE: 12/21/23

BENEFICIARY'S ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CA } SS.

COUNTY OF Orange

ON 12/21/23, BEFORE ME, J. Cresap, A NOTARY PUBLIC, PERSONALLY APPEARED Andrew Zinn, 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/HE/THEY EXECUTED THE SAME IN HIS/HER/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE: Jill Cresap

NAME (PRINT): Jill Cresap

PRINCIPAL COUNTY OF BUSINESS: Orange

MY COMMISSION NUMBER: 2341651

MY COMMISSION EXPIRES: 11/10/25

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF WARMINGTON RESIDENTIAL CALIFORNIA, INC. I HEREBY STATE THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE DECEMBER 31, 2026, AND THAT THE MONUMENTS ARE, OR WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

12/21/2023
DATE



Mark H. Wehber
MARK H. WEHBER, P.L.S.
L.S. NO. 7960

CERTIFICATE OF THE CITY CLERK

I HEREBY STATE THAT THIS FINAL MAP DESIGNATED AS "TRACT 10594, 700 WEST 6TH STREET", CONSISTING OF (6) SHEETS, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF GILROY AT A MEETING OF SAID COUNCIL HELD ON THE _____ DAY OF _____, 2024; AND THAT SAID COUNCIL DID ACCEPT ON BEHALF OF THE PUBLIC, THE DEDICATION:

AS EASEMENT:

1. PUBLIC SERVICE EASEMENT(S) (PSE)
2. EMERGENCY VEHICLE ACCESS EASEMENT(S) (EVAE)
3. SIDEWALK EASEMENT (SWE)

AS OFFERED FOR DEDICATION FOR PUBLIC USE IN CONFORMITY WITH THE TERMS OF OFFER OF DEDICATION, AS SHOWN ON THIS MAP.

DATE

THAI PHAM - CITY CLERK
OF THE CITY OF GILROY, CALIFORNIA

RECORDER'S CERTIFICATE

FILED THIS _____ DAY OF _____, 20____, AT _____ M. IN BOOK _____

OF MAPS, AT PAGE _____, AT THE REQUEST OF FIRST AMERICAN TITLE COMPANY.

FILE NO. _____ FEE \$ _____

REGINA ALCOMENDRAS, - COUNTY CLERK - RECORDER

DEPUTY

p. 60 of 478

TRACT 10594

700 WEST 6TH STREET

CONSISTING OF 6 SHEETS
BEING ALL OF THE LANDS DESCRIBED IN THE "GRANT DEED"
RECORDED DECEMBER 15, 2023, AS DOCUMENT NO. 25575796,
OFFICIAL RECORDS OF SANTA CLARA COUNTY

CITY OF GILROY, SANTA CLARA COUNTY, STATE OF CALIFORNIA,
AND CONTAINING 3.699 ACRES



CIVIL ENGINEERS

SAN RAMON • (925) 866-0322
ROSEVILLE • (916) 788-4456
WWW.CBANDG.COM

DECEMBER 2023

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP DESIGNATED AS "TRACT 10594, 700 WEST 6TH STREET"; THAT THE SUBDIVISION AS SHOWN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP ANY APPROVED ALTERATION THEREOF; THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT, AS AMENDED, AND OF ANY LOCAL ORDINANCE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH.

DATE _____



JORGE DURAN
ACTING CITY ENGINEER
CITY OF GILROY, CALIFORNIA
RCE NO. 59978

CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP DESIGNATED AS "TRACT 10594, 700 WEST 6TH STREET", AND THAT I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT.

DATE _____



DAVID RUBCIC PLS
ACTING CITY SURVEYOR
CSG CONSULTANTS
PLS 7994

NOTE: SOILS AND GEOLOGICAL REPORT

A SOILS AND/OR GEOLOGICAL REPORT ON THIS PROPERTY HAS BEEN PREPARED BY STEVENS, FERRONE, & BAILEY ENGINEERING COMPANY, INC., SFB PROJECT NO. 552-9, REPORT DATED OCTOBER 20, 2021, A COPY OF WHICH HAS BEEN FILED WITH THE CITY OF GILROY.

STATEMENT OF THE PLANNING COMMISSION

I HEREBY STATE THAT THE TENTATIVE MAP FOR THIS FINAL MAP DESIGNATED AS "TRACT 10594, 700 WEST 6TH STREET", WAS DULY APPROVED BY THE CITY COUNCIL OF THE CITY OF GILROY ON _____

DATE _____

SHARON COEI
ACTING PLANNING MANAGER
COMMUNITY DEVELOPMENT
CITY OF GILROY, CALIFORNIA

SIGNATURE OF OMISSIONS

PURSUANT TO SECTIONS 66499.20.2 AND 66434 (g) OF THE SUBDIVISION MAP ACT, THE FOLLOWING HOLDERS OF RIGHTS OF WAY OR EASEMENTS, WHICH CANNOT RIPEN INTO FEE, HAVE BEEN OMITTED:

1. PACIFIC GAS AND ELECTRIC COMPANY: AN EASEMENT FOR UNDERGROUND AND ABOVE GROUND FACILITIES AND INCIDENTAL PURPOSES RECORDED JULY 11, 1974 IN BOOK 0985, AT PAGE 435.

TRACT 10594

700 WEST 6TH STREET

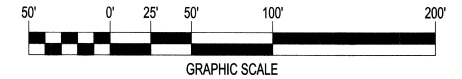
CONSISTING OF 6 SHEETS
BEING ALL OF THE LANDS DESCRIBED IN THE "GRANT DEED"
RECORDED DECEMBER 15, 2023, AS DOCUMENT NO. 25575796,
OFFICIAL RECORDS OF SANTA CLARA COUNTY
CITY OF GILROY, SANTA CLARA COUNTY, STATE OF CALIFORNIA,
AND CONTAINING 3.699 ACRES



SAN RAMON • (925) 866-0322
ROSEVILLE • (916) 788-4456
WWW.CBANDG.COM

CIVIL ENGINEERS • SURVEYORS • PLANNERS

SCALE: 1" = 50' DECEMBER 2023



BASIS OF BEARINGS:

THE BASIS OF BEARINGS FOR THIS SURVEY IS DETERMINED BY FOUND MONUMENTS ON PRINCEVILLE STREET, AS SHOWN ON TRACT MAP NO. 5706, HIDDEN GLEN OF GILROY NO.2 (367 M 31), THE BEARING BEING N20°00'00"W

LEGEND

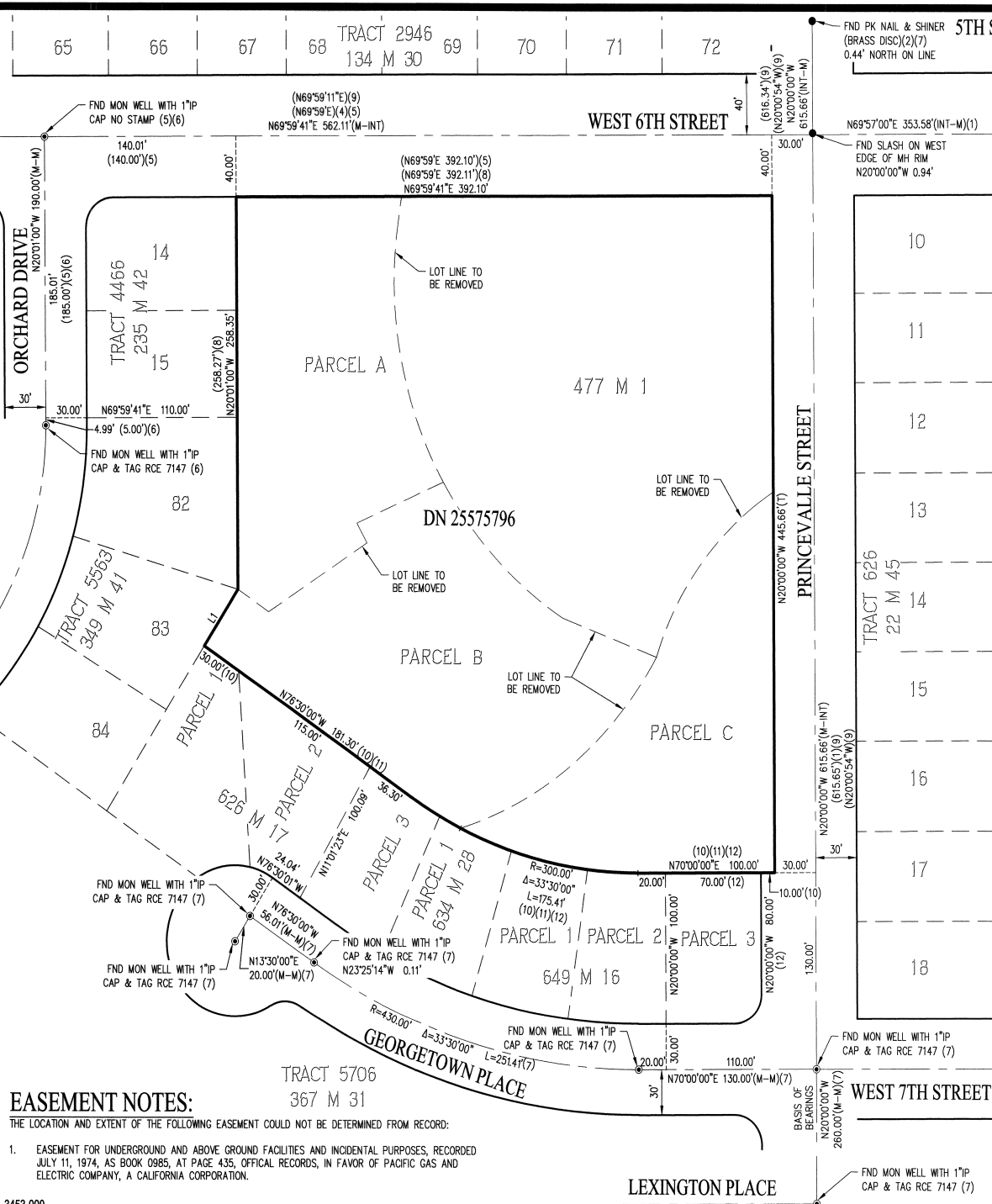
	SUBDIVISION BOUNDARY LINE
	RIGHT OF WAY LINE
	LOT LINE
	ADJOINER LINE
	EASEMENT LINE
	MONUMENT LINE
	THE LINE
(T)	TOTAL
(R)	RADIAL
(M-M)	MONUMENT TO MONUMENT
(M-PL)	MONUMENT TO PROPERTY LINE
(M-INT)	MONUMENT TO INTERSECTION
⊙	SET STANDARD STREET MONUMENT, LS 7960
●	FOUND STANDARD STREET MONUMENT, AS NOTED
○	FOUND MONUMENT AS NOTED
()	RECORD DATA AS NOTED
AC	ACRES
IP	IRON PIPE
OR	OFFICIAL RECORD
EVAE	EMERGENCY VEHICLE ACCESS EASEMENT
PSE	PUBLIC SERVICE EASEMENT
SWE	SIDEWALK EASEMENT
SF	SQUARE FOOTAGE
②	SHEET NUMBER

REFERENCES:

- | | |
|----------------------|------------|
| (1) TRACT 626 | (22 M 45) |
| (2) TRACT 1242 | (76 M 37) |
| (3) TRACT 2548 | (116 M 15) |
| (4) TRACT 2946 | (134 M 30) |
| (5) TRACT 4466 | (235 M 42) |
| (6) TRACT 5563 | (349 M 41) |
| (7) TRACT 5706 | (367 M 31) |
| (8) PARCEL MAP | (477 M 1) |
| (9) RECORD OF SURVEY | (881 M 3) |
| (10) PARCEL MAP | (626 M 17) |
| (11) PARCEL MAP | (634 M 28) |
| (12) PARCEL MAP | (649 M 16) |

NOTES:

- DISTANCES SHOWN HEREON ARE FEET AND DECIMAL THEREOF AND ARE GROUND DISTANCES.
- THE LINES ARE PERPENDICULAR TO CONTROL LINES AND MONUMENT LINES UNLESS OTHERWISE NOTED.



TRACT 10594

700 WEST 6TH STREET

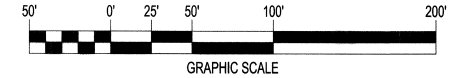
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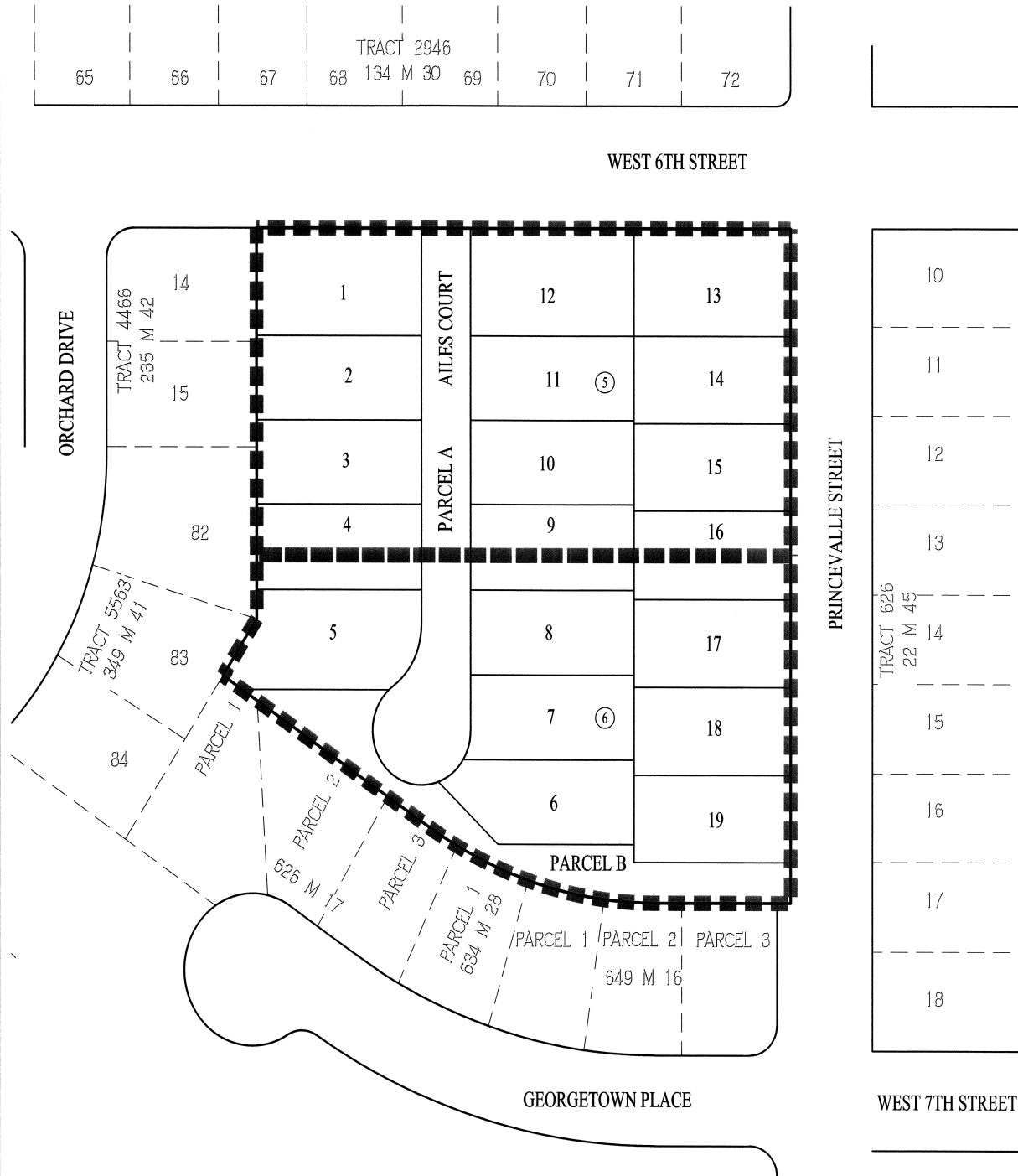
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LEGEND

	SUBDIVISION BOUNDARY LINE
	RIGHT OF WAY LINE
	LOT LINE
	ADJOINER LINE
	EASEMENT LINE
	MONUMENT LINE
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(T)	TOTAL
(R)	RADIAL
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SF	SQUARE FOOTAGE
(2)	SHEET NUMBER

REFERENCES:

SEE SHEET 3 FOR REFERENCES. p. 63 of 478



TRACT 10594

700 WEST 6TH STREET

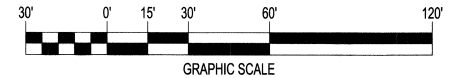
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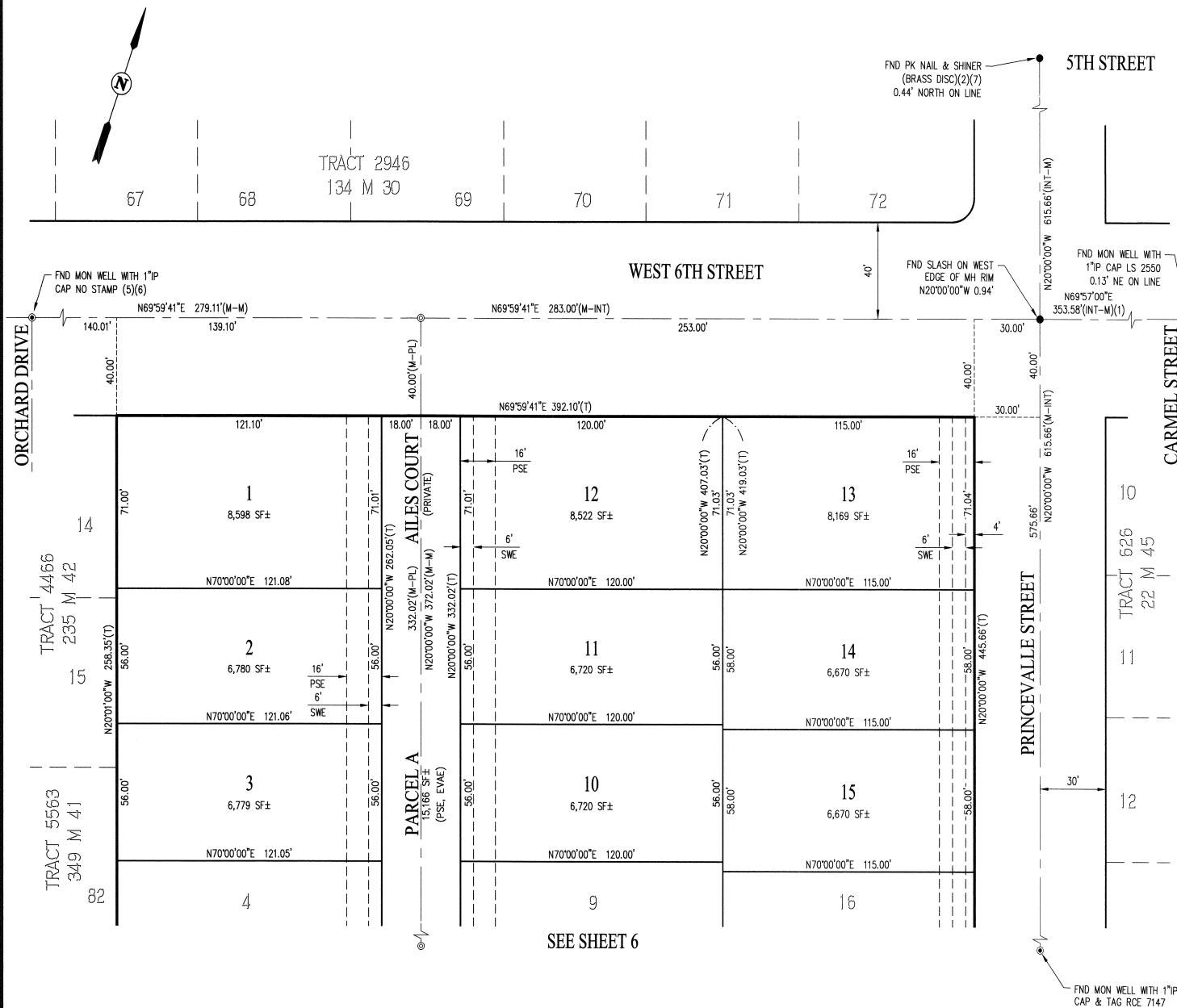
CIVIL ENGINEERS • SURVEYORS • PLANNERS

SCALE: 1" = 30' DECEMBER 2023



LEGEND

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REFERENCES:

SEE SHEET 3 FOR REFERENCES.

SEE SHEET 5

TRACT 10594

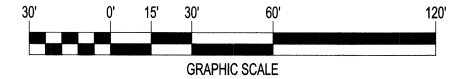
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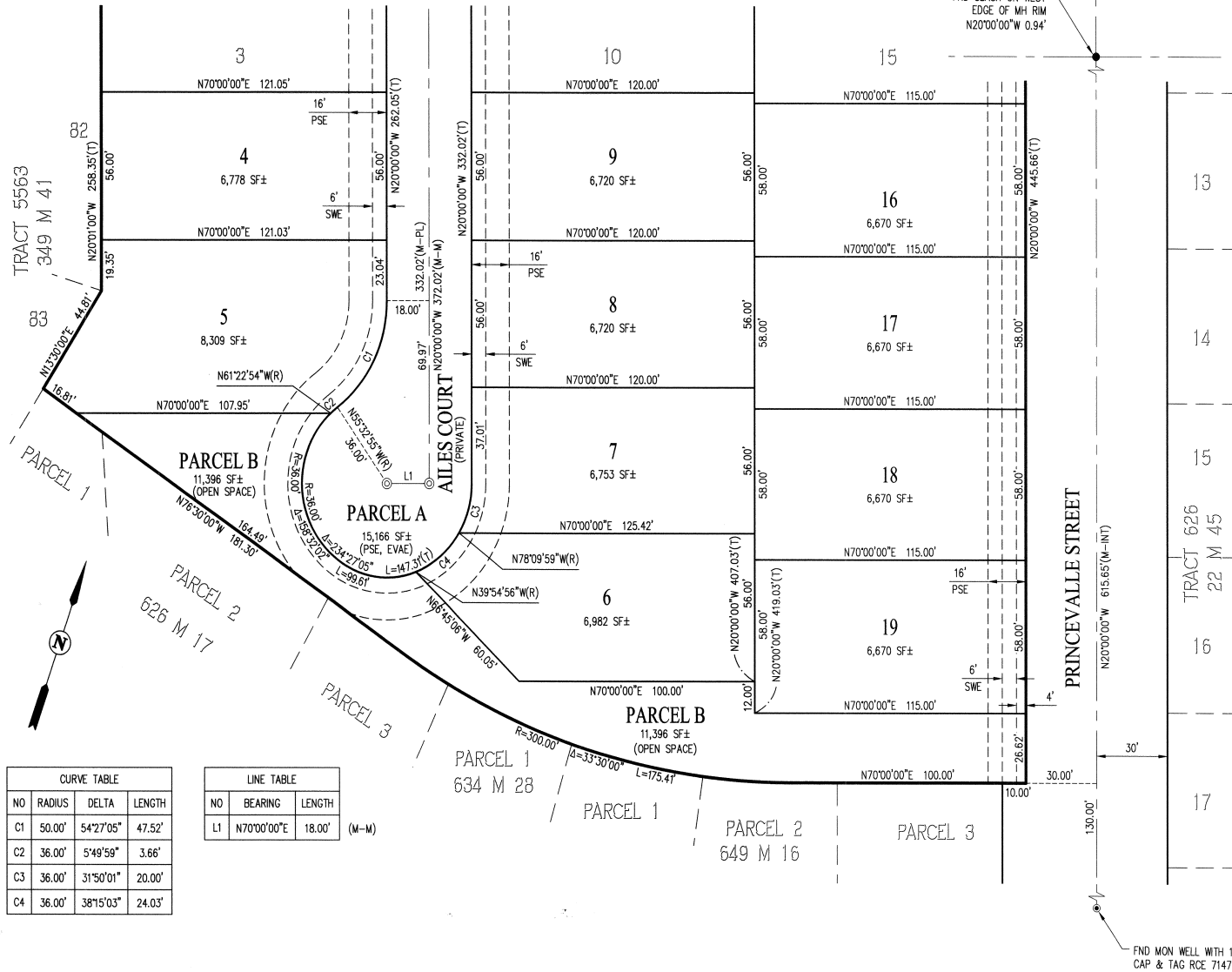
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LEGEND

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SWE	SIDEWALK EASEMENT
SF	SQUARE FOOTAGE
②	SHEET NUMBER



CURVE TABLE			
NO	RADIUS	DELTA	LENGTH
C1	50.00'	54°27'05"	47.52'
C2	36.00'	5°49'59"	3.66'
C3	36.00'	31°50'01"	20.00'
C4	36.00'	38°15'03"	24.03'

LINE TABLE		
NO	BEARING	LENGTH
L1	N70°00'00"E	18.00' (M-M)

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REFERENCES:

SEE SHEET 3 FOR REFERENCES.



City of Gilroy

STAFF REPORT

Agenda Item Title: **Approval of Notice of Acceptance of Completion for Property Improvement Agreement No. 2017-06, Ballybunion Dr and Santa Teresa Blvd Roundabout and Traffic Impact Fund (TIF) Reimbursement**

Meeting Date: February 26, 2024
 From: Jimmy Forbis, City Administrator
 Department: Public Works
 Submitted By: Heba El-Guindy, Public Works Director
 Prepared By: Heba El-Guindy, Public Works Director

STRATEGIC PLAN GOALS

Promote Economic Development Activities

RECOMMENDATION

1. Approve the Notice of Acceptance of completion for Property Improvement Agreement No. 2017-06, Ballybunion Dr and Santa Teresa Blvd Roundabout.
2. Adopt a resolution amending the Fiscal Year 2023-24 (FY24) budget in the Traffic Impact Fee Fund (Fund 425) to appropriate \$2,336,800, for Traffic Impact Fee Project reimbursement, pursuant to the Traffic Impact Fee Reimbursement Policy.

BACKGROUND

In May 2014, Filice Family Estate, a California Limited Partnership (Developer), received Tentative Map approval which included the Ballybunion Dr and Santa Teresa Blvd Roundabout. [Reference: Resolution No. 2014-19, TM 13-08]. The approvals were to construct the roundabout, utilities, landscaping, lighting, and walls.

On September 18, 2017, Lennar Homes of California, Inc., (formerly CalAtlantic Group, Inc.) received Council approval of Property Improvement Agreement 2017-06 for the development of the Ballybunion Dr and Santa Teresa Blvd Roundabout and related Public Improvements.

The developer has paid plan check and inspection fees and submitted bonding and insurance for the above-referenced property improvement agreement.

DISCUSSION

Chapter 21, Article III, Section 21.81 of the City Code allows the City Council to authorize a reduction in the payment and performance bonds that the builder provided prior to the Property Improvement Agreements being accepted by Council. The amount of the bond reduction is consistent with the amount of work completed at the time of the request. A Maintenance Bond in the amount of 10% of the construction cost ensures that defective or damaged improvements will be corrected during the one-year maintenance warranty period. The project's actual improvement costs have been reviewed to ensure that the Maintenance Security amount covers any anticipated issue with the installed improvements.

The developer, Lennar Homes of California, Inc. (formerly CalAtlantic Group, Inc.), requests a reduction of the Ballybunion Dr and Santa Teresa Blvd Roundabout Faithful Performance and Payment Bonds to a Maintenance Bond. This Maintenance Bond is 10% of the bond's value for the Roundabout improvements bond, reducing it from the original \$1,217,545 to \$121,754.50. The original security provided for 100% of the estimated construction cost and payment for roundabout improvements, which consist of new pavement, grading, curb, gutter, sidewalk, utilities, landscape, electrical lighting, utility, storm, water, and sewer.

The project is fully complete, and the Notice of Completion document is ready for acceptance and recordation with Santa Clara County. Attachment 3 contains the Notice of Completion.

The Ballybunion Dr and Santa Teresa Blvd Roundabout is included in the list of roadway improvements that make up the City's Traffic Impact Fee Program. As such, the cost to build the improvements are eligible to be reimbursed from the Traffic Impact Fee Fund, pursuant to the Traffic Impact Fee (TIF) Reimbursement Policy. Staff recommends City Council adopt the attached resolution amending the appropriations in the Traffic Impact Fee Fund (425) in the amount of \$2,336,800 so that the developer can be duly reimbursed.

ALTERNATIVES

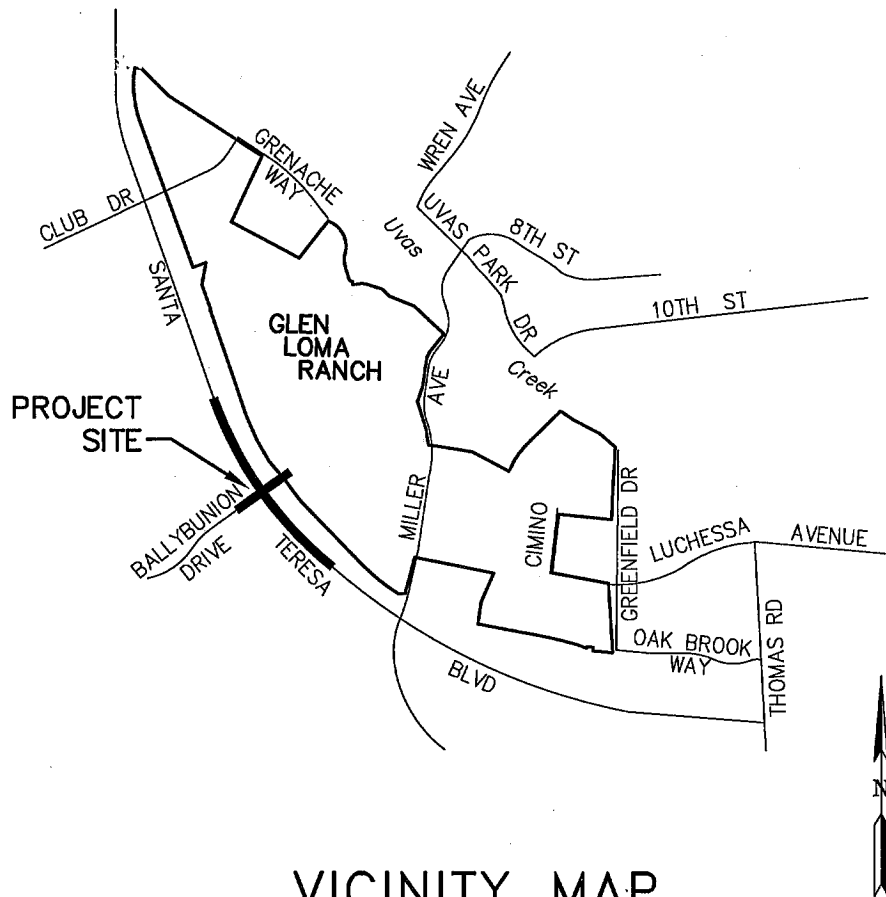
Council may deny the request to approve the Notice of Acceptance and reduction of bonds or not adopt the budget amendment resolution. However, the developer has completed all improvements per the approved Property Improvement Agreement No. 2017-06 and the TIF reimbursement policy. Staff does not recommend either of these alternatives as it will impose unnecessary delay for the site's development and put the City at legal risk for not complying with the established reimbursement policy.

FISCAL IMPACT/FUNDING SOURCE

There is no net impact to the General Fund. The developer has paid plan check and inspection fees and submitted bonding and insurance for the above-referenced Property Improvement Agreement. The Faithful Performance and Payment Bonds held as security would be reduced from the original \$1,217,545 to \$121,754.50. In addition, the budget amendment would appropriate \$2,336,800 in the Traffic Impact Fee Fund (Fund 425) for the TIF reimbursement.

Attachments:

1. Exhibit A – Vicinity Map
2. Exhibit B – PIA
3. Exhibit C – Notice of Completion
4. Exhibit D – Resolution



VICINITY MAP

NO SCALE

SANTA TERESA-LUCHESSA
ROUNDAABOUT
GILROY, CALIFORNIA

MAY 2016

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS ■ PLANNERS ■ SURVEYORS

8055 CAMINO ARROYO GILROY, CA 95020
PHONE: (408) 848-0300 FAX: (408) 848-0302

23790842Regina Alcomendras
Santa Clara County - Clerk-Recorder

11/01/2017 12:06 PM

RECORDING REQUESTED BY:

City of Gilroy

Titles: 1 Pages: 24

Fees: \$94.00

Taxes: \$0

Total: \$94.00

WHEN RECORDED, MAIL TO:

Shawna Freels
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

Property Improvement Agreement No. 2017-06
Santa Teresa/Ballybunion/Luchessa Roundabout and Class I Trail
(Adjacent to APN: 808-18-018)
CalAtlantic Group, Inc. a Delaware Corporation
And
Filice Family Estate, a California Limited Partnership

**PROPERTY IMPROVEMENT AGREEMENT
RESIDENTIAL**

**AGREEMENT FOR EXTENSIONS OF WATER DISTRIBUTION SYSTEMS:
IMPROVEMENT OF STREETS: INSTALLATION OF SEWERS, STORM
DRAINS AND OTHER PUBLIC WORKS FACILITIES
Property Improvement Agreement No. 2017-06**

~~September~~ ^{October} This Property Improvement Agreement ("Agreement") is made and entered into this 18TH day of ~~September~~, 2017, by and between the City of Gilroy, a municipal corporation, herein called the "City," Filice Family Estate, herein called the "Owner" and CalAtlantic Group, Inc. a Delaware Corporation, herein called the "Developer".

WHEREAS, a final map of subdivision, record of survey or 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: Santa Teresa/Ballybunion/Luchessa Roundabout and Class I Trail, (adjacent to APN: 808-18-018), a legal description of which is attached hereto and incorporated herein as Exhibit "A" (the "Property"), and as described in the project improvement plans entitled Santa Teresa/Luchessa Roundabout + Class I Trail.

WHEREAS, the Developer 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 current Zoning Ordinance, and the currently adopted Uniform Building Code.

SECTION 2

The Developer agrees:

- a. To perform each and every provision required by the City to be performed by the Developer in each and 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. Developer further agrees and acknowledges that it is its obligation to determine whether, and to what extent, the work performed 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 contracting 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.
- c. To indemnify, defend with counsel of City's choice 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) 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 work 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.
- d. To construct and improve all public works facilities and other improvements described in this Agreement and the improvement plans submitted to the City of Gilroy in furtherance of this Agreement on file with the City of Gilroy. All construction and improvements shall be completed 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 Faithful 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 Faithful Performance Bond shall be in an amount not less than one hundred percent (100%) of the total estimated amount payable for the improvements described in this Agreement, 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 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 improvements described in this Agreement. 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.

Simultaneously with the submission of its building permit application (Site Clearance), the Developer shall submit the following for both the surety that furnishes the Payment Bond and the surety that furnishes the Faithful 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.

- 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 Council approval of the final map of the subdivision. Upon approval of the record of survey or the building permit covering the real estate to be improved and before any work is done therein, 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 improvements constructed by Developer are accepted by City, Developer shall, at no cost to City obtain and maintain (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 work described in this Agreement, 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 pursuant to this Agreement, 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

That all the provisions of this Agreement and all work to be done pursuant to the terms of this Agreement are to be completed to City's satisfaction within one year from and after the date and year of this Agreement first above written. Developer shall maintain such public works facilities and other improvements described in this Agreement 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 real property and runs with the land. Except as expressly provided in the second sentence of Item 9 of the general stipulations set forth in Section 6 below (relating to the payment of reimbursement to the original Developer 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.

SECTION 6

1. That the following general stipulations shall be completed subject to the approval of the Public Works Director/City Engineer.
2. The Project shall comply with all Tentative Map conditions and applicable mitigation measures as contained in City Council Resolution 2014-19 (TM 13-08 approval).

3. All work within the public right-of-way shall be subject to the approval of the City Engineer.
4. The Developer shall perform all work in compliance with the City of Gilroy Specifications Standards Design Criteria, Hecker Pass Development Agreement and Hecker Pass Specific Use District and is subject to all laws of this community by reference. Street improvements and the design of all storm drainage, sewer lines, and all street sections shall be in accordance with City Standards and Hecker Pass Specific Plan, Hecker Pass Development Agreement and Hecker Pass Backbone Plans and shall follow the most current City Master plan for streets and each utility.
5. 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. This condition is imposed pursuant to California Government Code Section 66474.9.
6. No building permit shall be issued in connection with this project if the owner or developer of such development (i) is not in compliance with the City's Residential Development Ordinance (City Zoning Ordinance Sections 50.60 et seq.) referred to as the RDO, any conditions of approval issued in connection with such development or other City requirements applicable to such development; or (ii) is in default under any agreement entered into with the City in connection with such development pursuant to the RDO. The project must also comply with any of condition of exemption granted from the RDO, including but not limited to time limits in obtaining City approvals and completion of construction of the dwelling units.
7. The City shall be notified at least two (2) working days prior to the start of any construction work and at that time the contractor shall provide a project schedule and a 24-hour emergency telephone number list.
8. At least one week prior to commencement of work, the developer shall post the site and mail to owners of property within (500') five hundred feet of the exterior boundary of the project site, to the homeowner associations of nearby residential projects and to the Engineering Division, a notice that construction work will commence on or around the stated date. The notice shall include a list of contact persons with name, title, phone number and area of responsibility. The person responsible for maintaining the list shall be included. The list shall be current at all times and shall consist of persons with authority to initiate corrective action in their area of responsibility. The names of individuals responsible for dust, noise and litter control shall be expressly identified in the notice.
9. If the developer proposes to phase construction with building occupancy, the developer shall create, for City Engineer approval prior to first occupancy, a construction staging plan that addresses the ingress and egress location for all construction vehicles, parking and material storage area separate from occupied residential units.
10. Locate and properly dispose of any wells, septic tanks and underground fuel storage facilities. NOTE: The capping of any well will require inspection by the Santa Clara Valley Water District.
11. Schedule the construction of improvements along existing public roads so that the work affecting vehicular traffic is completed with a minimum interruption to traffic.

12. All work shall be coordinated so that the existing residents on all adjacent streets have access to their properties.
13. 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 or other water source acceptable to the Fire Marshal 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.
14. A complete construction schedule, which shall include a detailed phasing plan (including traffic control for each proposed phase), shall be submitted and approved by the City Engineer prior to start of construction. Any deviation from the approved construction schedule and phasing plan shall be coordinated with the City Engineer. Deviating from the approved construction schedule and phasing plan without prior coordination with the City Engineer may prolong issuance of further building permits.
 - a. 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.
15. The developer shall obtain the required Habitat Conservation Plan (HCP) Permit and pay the applicable fees prior to the issuance of a grading permit or improvement plan approval.
16. One hard copy and electronic copy of the approved/stamped PG&E Joint Trench Composite Plans shall be submitted to the Engineering Division. 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". 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.
17. Site preparation and fill construction shall be conducted under the observation of, and tested by, a licensed soils or geotechnical engineer. A report shall be filed with the City of Gilroy stating that all site preparation and fill construction meets the requirements of the geotechnical investigation. This shall be subject to review and approval by the Building Division. [CBC]
18. All grading operations and soil compaction activities shall be per the approved soils report and shall meet with the approval of the City Engineer.
19. New and existing utility lines, appurtenances, and associated equipment, including but not limited to electrical transmission, street lighting, and cable television shall be required to be placed underground. [Municipal Code Section 21, Article V]
20. Construction activity shall be restricted to the period between 7:00 a.m. to 7:00 p.m. Mondays through Fridays, Saturday 9:00 a.m. to 7:00 p.m. No work shall be done on Sundays and City Holidays. The City Engineer will apply additional construction period restrictions, as necessary, to accommodate standard commute traffic along arterial roadways and along school commute routes.
21. Any damage resulting from project construction operations to existing city infrastructure on or adjacent to the subject property shall be repaired to the 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.

22. This project is subject to post-construction stormwater quality requirements per Section 27D of the Gilroy Municipal Code.

23. Storm water BMP Operation and Maintenance Agreement

- a. Prior to the issuance of any building permit requiring stormwater management BMPs or as otherwise determined by the City Engineer, the owner(s) of the site shall enter into a formal written Stormwater BMP Operation and Maintenance Agreement with the City. The City shall record this agreement, against the property or properties involved, with the County of Santa Clara and it shall be binding on all subsequent owners of land served by the storm water management treatment BMPs. The City-standard Stormwater BMP Operation and Maintenance Agreement will be provided by Public Works Engineering.
- b. This Agreement shall require that the BMPs not be modified and BMP maintenance activities not alter the designed function of the facility from its original design unless approved by the City prior to the commencement of the proposed modification or maintenance activity.
- c. This Agreement shall also provide that in the event that maintenance or repair is neglected, or the stormwater management facility becomes a danger to public health or safety, the city shall have the authority to perform maintenance and/or repair work and to recover the costs from the owner.
- d. All on-site stormwater management facilities shall be operated and maintained in good condition and promptly repaired/replaced by the property owner(s), an owners' or homeowners' association or other legal entity approved by the City.
- e. Any repairs or restoration/replacement and maintenance shall be in accordance with City-approved plans.
- f. The property owner(s) shall develop a maintenance schedule for the life of any stormwater management facility and shall describe the maintenance to be completed, the time period for completion, and who shall perform the maintenance. This maintenance schedule shall be included with the approved Stormwater Runoff Management Plan.

24. Stormwater BMP Inspections will be required for this project and shall adhere to the following:

- a. The property owner(s) shall be responsible for having all stormwater management facilities inspected for condition and function by a knowledgeable third party.
- b. Unless otherwise required by the City Engineer or designee, stormwater facility inspections shall be done at least twice per year, once in Fall, in preparation for the wet season, and once in Winter. Written records shall be kept of all inspections and shall include, at minimum, the following information:
 1. Site address;
 2. Date and time of inspection;
 3. Name of the person conducting the inspection;
 4. List of stormwater facilities inspected;

5. Condition of each stormwater facility inspected;
 6. Description of any needed maintenance or repairs; and
 7. As applicable, the need for site re-inspection.
25. Upon completion of each inspection, an inspection report shall be submitted to Public Works Engineering no later than October 1st for the Fall report, and no later than March 15th of the following year for the Winter report.
 26. A minimum of one exterior monument shall be set. Additional monuments can be required by the City Engineer or City Surveyor as deemed necessary. Location of monuments shall be tied out prior to work.
 27. 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.
 28. 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 Owner 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 Owner 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 Owner'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 Owner 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.
 - a. The Owner shall be reimbursed for the following traffic improvements:
 - i. Ballybunion/Santa Teresa with an estimated reimbursement of \$1,286,081 per the current Traffic Impact Fee (TIF) budget. This reimbursement amount is subject to change as the costs for the improvements originally identified in the TIF report of 2009 have changed. The City has started the process of reviewing the entire TIF intersection and segment costs. The applicable adjustments to the TIF reimbursement costs will be applied according to city policy.

29. Grant of Easement for Right-of-way Dedication Grant Deed for a portion of the "Lot 65 of Tract 9157" shall be recorded at the time the final map is recorded.
30. The project shall provide traffic control measures and temporary street lighting, to the satisfaction of the City Engineer, at the intersection of Santa Teresa Boulevard and Ballybunion Drive to ensure safe traffic operations and at the same time ensure proper traffic flow during construction periods, and during periods when construction is not active but traffic control measures remain in place. Traffic control measures may include, but are not limited to, flag persons, temporary signal lights, changeable message signs, signing and striping, and other measures and devices as deemed necessary by the City Engineer and the County of Santa Clara.
 - a. Temporary street lighting shall be provided prior to existing traffic signal poles and cabinet are removed. Lighting shall be on during weekdays and weekends half hour before sunset until half hour after sunrise.
 - b. Upon request by the City Engineer, the developer shall provide distribute information for public outreach purposes, which may include maps and schedules for each phase of construction.
31. No occupancy permits shall be issued (except for nine model homes) for the future three neighborhoods, Wild Chestnut, Montonico and Home Ranch, and no model homes will be allowed to open until the Santa Teresa/Ballybunion/Luchessa Roundabout's ultimate roadway improvements are complete and all vehicular movements are open to traffic as determined by the City Engineer.
32. The Master HOA shall be responsible for the landscape maintenance of the roundabout, medians and Class I trails associated with this project per the Glen Loma Ranch Development Agreement dated November 21, 2005. Developer shall enter into a Landscape Maintenance Agreement prior to completion of construction.
33. Landscape plans shall be submitted for review and approval prior to the issuance of the first building permit, excluding model homes. Any changes to the landscape plans that may be warranted after the civil improvement plans have been approved will be at the risk of the Owner/Developer and will be subject to additional review fees.
34. The project shall fully comply with the measures required by the City's Water Supply Shortage Regulations Ordinance (Gilroy City Code, Chapter 27, Article VI), and subsequent amendments, which was adopted on August 4, 2014 to meet the requirements imposed by the State of California's Water Board. This Ordinance established permanent voluntary water saving measures and temporary water conservation standards.
 - a. All construction water from fire hydrants shall be metered and billed at the current hydrant meter rate.
 - b. Recycled water shall be used for construction water, where available, as determined by the Public Works Director. Recycled water shall be billed at the municipal industrial rate based on the current Santa Clara Valley Water District's municipal industrial rate.

- c. Where recycled water is not available, as determined by the Public Works Director, potable water shall be used. All City potable water will be billed based on the City's comprehensive fee schedule under the Portable Fire hydrant meter rate.

SECTION 7

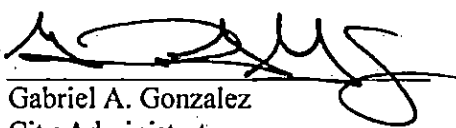
That the attached Development Cost Schedule enumerates all fees and their extensions.

TOTAL AMOUNT DUE CITY: \$-0-

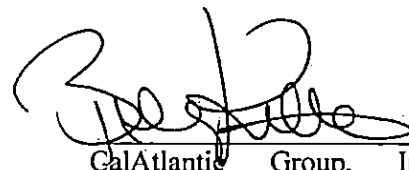
CITY OF GILROY:

DEVELOPER:

By:


Gabriel A. Gonzalez
City Administrator

By:


CalAtlantic Group, Inc. a Delaware
Corporation

Date:

10/13/17

Name:

BRIGIT KOUER

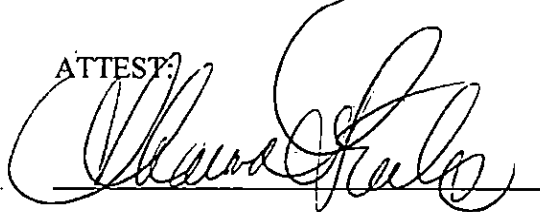
Title:

OPERATIONAL VP

Date:

8/28/17

ATTEST:



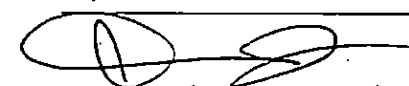
Owner:

FILICE Family Estate
a CA. LIMITED PARTNERSHIP

By:

Cogini California LLC Gen. Part

Name:


John M. Filice Jr

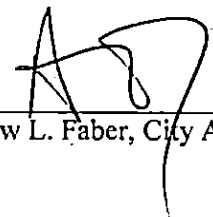
Title:

MANAGEN AUTHORIZED REPRESENTATIVE

Date:

8-30-2017

APPROVED AS TO FORM:


Andrew L. Faber, City Attorney

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.

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**CITY OF GILROY
PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
COST ESTIMATE
EFFECTIVE 7/1/2016**

ENCOMPASS NO: E1 **15070023** Revised:
 DATE: 28-Jun-16 Revision Number:
 NUMBER: Glen Loma Ranch- Santa Teresa/Ballybunton RAB Revision By:
 PROJECT LOCATION: Santa Teresa Blvd. @ Ballybunton Dr.
 PARCEL NUMBER: N/A
 OWNER/DEVELOPER: Glen Loma Corporation
 MAILING ADDRESS: 7888 Wren Ave. Suite D143
 TELEPHONE NO: 408-847-2424
 PREPARED BY: MCervantes

Account No.	Key Code	Fee:	Credits:	Amount Due:	Account Description	Paid on Invoice #
100-2601-0000-3625	4904	\$0.00		\$0.00	Special Public Works Serv	
100-2601-0000-3605	4702	\$108,573.78	\$108,573.78	\$0.00	Eng Plan Check & Insp	
420-2600-0000-3660	4501	\$0.00		\$0.00	Storm Development Fee	
432-2600-0000-3660	3301	\$0.00		\$0.00	Str Tree Development Fee	
433-2600-0000-3660	4905	\$0.00		\$0.00	Traffic Impact Fee	
435-2600-0000-3660	4509	\$0.00		\$0.00	Sewer Development Fee	
436-2600-0000-3660	4510	\$0.00		\$0.00	Water Development Fee	
440-2600-0000-3660	4515	\$0.00		\$0.00	Public Facility Fee	
720-0433-0000-3620	2202	\$0.00		\$0.00	Const Water Use Fee	
801-2601-PWD0-3899	4703	\$0.00		\$0.00	Reimbursements	
801-2601-PWD0-3899	4703	\$0.00		\$0.00	Other Reimbursements	
Total				\$0.00		

Payment Bond Amount for all improvements \$1,217,545
 Performance Bond Amount for all improvements \$1,217,545

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CITY OF GILROY
COMMUNITY DEVELOPMENT DEPARTMENT
ENGINEERING DIVISION
COST ESTIMATE

ENCOMPASS NO:

E1

15070023

DATE:

28-Jun-2016

NUMBER:

Glen Loma Ranch- Santa Teresa/Ballybunion RAB

PROJECT LOCATION:

Santa Teresa Blvd. @ Ballybunion Dr.

PARCEL NUMBER:

N/A

OWNER/DEVELOPER:

Glen Loma Corporation

MAILING ADDRESS:

7888 Wren Ave. Suite D143

TELEPHONE NO:

408-847-2424

PREPARED BY:

MCervantes

COST SCHEDULE TYPE:

FINAL ENGINEERING
COST ESTIMATE ? Y PLAN CHECK ? NINCENTIVE AGREEMENT ONLY ? N

DEFER PUBLIC FACILITY FEE ?

TO PERMIT ? N TO FINAL ? N

DEFER SEWER, WATER, TRAFFIC FEES ?

TO PERMIT ? N TO FINAL ? N

NOTE: This Preliminary Cost Schedule is an estimate and will be adjusted to the rates in effect at the time permits are issued.

Site Information:	Gross Acres:	Lots:	Units:	Sq Ft:
Residential-Low ?	0.000	0	0	
Residential-High ?	0.000	0	0	
Commercial-Low ?	0.000	0		0
Commercial-High ?	0.000	0		0
Industrial-General ?	0.000	0		0
Industrial-Warehouse ?	0.000	0		0
Assembly Hall?	0.000	0		0
Common Area?	0.000			0

Commercial/Industrial Allocations:

Sewer GPD:

Water GPD:

0

0

Reimbursements and credits:

Front Footage/Square Footage Charges

Street Tree FF:

Water FF:

Sewer FF:

Storm FF:

Const Water Acres to be Developed:

0.0

0.0

0.0

0.0

0.000

Pavement SF:

Median SF:

Sidewalk SF:

Curb/Gutter FF:

Construction Water FF:

0.0

0.0

0.0

0.0

0.0

SPECIAL PUBLIC WORKS SERVICES

100-2601-0000-3625

\$0.00

Maps:

Final Map

\$1,755.00 +

\$15.70 / lot

N

\$0.00

Fee ID N0-FINALM

Parcel Map

\$2,035.00 +

\$630.00 / lot

N

\$0.00

Fee ID N0-PARCELM

Re-assessment Map (Assessment District Parcels)

\$1,710.00 +

\$630.00 / lot

N

\$0.00

Fee ID N-ASSESM

Administration Fees:

(Cost Schedules, Agreements, R/W Reviews and Other Misc. Services)

0 hr Misc Services

\$185.00 / hr.

Y

\$0.00

Fee ID N-MISC

Special Staff Analysis

0 hr Special Analysis

\$143.44 / hr.

N

\$0.00

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ENGINEERING PLAN CHECK & INSPECTION

100-2601-0000-3605

COST ESTIMATE\$108,573.78**ACTUAL COST OF PUBLIC IMPROVEMENTS FINAL ENGINEERING PLAN CHECK**\$0.00

At time of Improvement Plan/Final Map submittal 40% of fee is due for Plan Check. Remainder 60% due prior to submittal of Final Map for Council approval

Additional Plan Review After First Three Submittals or Review of Changes, Additions or Revisions to Approved Plans

0 hr Additional Plan Review \$143.44 / hr. N \$0.00 Fee ID N0-GRADINS
(2 Hour Minimum)

Re-Inspection Fee
0 hr Re-Inspection \$125.00 / hr. N \$0.00 Fee ID N0-GRADINS

Inspections outside of normal business hours

0 hr Inspection \$475.00 + \$160.00 / hr. after 3hrs N \$0.00 Fee ID N0-GRADINS

(Based on total cost of improvements)

Estimated Cost of Improvements COST ESTIMATE ACTUAL COST DIFFERENCE (\$108,573.78)
Fee ID N0-PCKINSP

12.6% \$0 \$100,000 Y \$1,217.545 Y \$0 \$0.00

10.5% \$100,000 \$200,000 Y \$12,600.00 Y \$0.00

8.4% over \$200,000 Y \$10,500.00 Y \$0.00

Payment Bond Amount for all improvements \$1,217.545
Performance Bond Amount for all improvements \$1,217.545

IMPACT FEES

Storm Drain Impact Fee 420-2600-0000-3660 \$0.00

a. Residential-Low \$564.00 / acre Y \$0.00 Fee ID N0-SD-LD

b. Residential-High \$866.00 / acre Y \$0.00 Fee ID N0-SD-HD

c. Commercial \$1,528.00 / acre Y \$0.00 Fee ID N0-SD-C

d. Industrial \$1,128.00 / acre Y \$0.00 Fee ID N0-SD-I

e. Assembly Hall \$564.00 / acre Y \$0.00 Fee ID N0-SD-AH

Street Tree Fee 432-2600-0000-3660 \$0.00

a. City Planting and Replacement \$3.06 / f.f. x N 0.0 = \$0.00 Fee ID N0-TREEPLT

b. Inspection and Replacement \$0.41 / f.f. x Y 0.0 = \$0.00 Fee ID N0-TREEINS

Traffic Impact Fee 433-2600-0000-3660 \$0.00

a. Residential-Low \$10,897.00 / unit Y \$0.00 Fee ID N1-TRAF-LD

b. Residential-High \$8,834.00 / unit Y \$0.00 Fee ID N2-TRAF-HD

c. Commercial-Low Traffic (< 10.75 trips/1000 sf) \$12,057.00 / k.s.f. Y \$0.00 Fee ID N3-TRAF-CL

d. Commercial-High Traffic (>= 10.75 trips/1000 sf) \$24,356.00 / k.s.f. Y \$0.00 Fee ID N3-TRAF-CH

e. Industrial-General \$4,778.00 / k.s.f. Y \$0.00 Fee ID N4-TRAF-IG

f. Industrial-Warehouse \$3,463.00 / k.s.f. Y \$0.00 Fee ID N4-TRAF-IW

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Sewer Impact Fee		435-2600-0000-3660				<u>\$0.00</u>
a. Residential-Low	\$12,020.00 / unit	Y	<u>\$0.00</u>	Fee ID N1-SS-LD		
b. Residential-High	\$6,504.00 / unit	Y	<u>\$0.00</u>	Fee ID N2-SS-HD		
c. Commercial/Industrial	\$3,804.00 / cgp	Y	<u>\$0.00</u>	Fee ID N5-SS-C/I		
Water Impact Fee		436-2600-0000-3660				<u>\$0.00</u>
a. Residential-Low	\$4,294.00 / unit	Y	<u>\$0.00</u>	Fee ID N1-WATR-LD		
b. Residential-High	\$1,737.00 / unit	Y	<u>\$0.00</u>	Fee ID N2-WATR-HD		
c. Commercial/Industrial	\$6,731.00 / kgpd	Y	<u>\$0.00</u>	Fee ID N5-WTR-C/I		
Public Facilities Impact Fee		440-2600-0000-3660				<u>\$0.00</u>
a. Residential-Low	\$18,952.00 / unit	Y	<u>\$0.00</u>	Fee ID N1-PF-LD		
b. Residential-High	\$15,945.00 / unit	Y	<u>\$0.00</u>	Fee ID N2-PF-HD		
c. Commercial	\$2,856.00 / k.s.f.	Y	<u>\$0.00</u>	Fee ID N3-PF-C		
d. Industrial	\$1,264.00 / k.s.f.	Y	<u>\$0.00</u>	Fee ID N4-PF-I		
Water User Fee (Construction)		720-0433-0000-3620	Y			<u>\$0.00</u>
	\$3.00 / l.f.		<u>\$0.00</u>	Fee ID N0-CONWTFF		
	plus					
	\$182.73 / a.c.		<u>\$0.00</u>	Fee ID N0-CONWTAC		

FRONT FOOT CHARGES

(Used to charge and reimburse fees for existing infrastructure)

The Half Pipe schedule is used to determine the front footage reimbursement to former developers for infrastructure previously installed along the front footage of the development.

The Full Pipe schedule is used to determine the oversizing reimbursement to the developer for installing water, sewer, and storm main extensions to sizes required by each master plan that are greater than the sizes required by the development. The oversized portion is the difference between the master planned size for the main and the greater of the main size required by the development or the developer's minimum responsibility for each main.

Water		801-2601-PWD0-3899				<u>\$0.00</u>
Water Mains - Including fire hydrants, valves, valve boxes and other pertinences.						
Developer responsibility is up to and including 12" mains						
		<u>Half Pipe</u>		<u>Lineal Footage</u>		
6 inch Main	\$39.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR06-1/2	
8 inch Main	\$41.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR08-1/2	
10 inch Main	\$47.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR10-1/2	
12 inch Main	\$52.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR12-1/2	
14 inch Main	\$57.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR14-1/2	
16 inch Main	\$62.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR16-1/2	
18 inch Main	\$68.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR18-1/2	
20 inch Main	\$76.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR18-1/2	
24 inch Main	\$82.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR24-1/2	
30 inch Main	\$91.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR30-1/2	
36 inch Main	\$106.00 / LF x	N	<u>0.0</u>	<u>\$0.00</u>	Fee ID N-WR36-1/2	

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Front Foot Charges Continued

(Used to charge and reimburse fees for existing infrastructure)

Sewer			801-2601-PWD0-3899		\$0.00	
Sewer Mains - including manhole and other perfinences. Developer responsibility is up to and including 12" mains.						
		Half Pipe		Lineal Footage		
6 inch Main		\$73.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS08-1/2
8 inch Main		\$75.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS08-1/2
10 inch Main		\$81.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS10-1/2
12 inch Main		\$83.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS12-1/2
15 inch Main		\$87.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS15-1/2
18 inch Main		\$93.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS18-1/2
21 inch Main		\$102.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS21-1/2
24 inch Main		\$106.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS24-1/2
27 inch Main		\$122.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS27-1/2
30 inch Main		\$144.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS30-1/2
33 inch Main		\$158.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS33-1/2
36 inch Main		\$178.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS36-1/2
39 inch Main		\$212.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS39-1/2
42 inch Main		\$265.00 / LF x	N	0.0	=	\$0.00 Fee ID N-SS42-1/2
Street Improvements			801-2601-PWD0-3899		\$0.00	
<u>Pavement, Sidewalks & Medians</u>				<u>Square Footage</u>		
AC/Bike path: base		\$2.55 / SF x	N	0.0	=	\$0.00 Fee ID N-STR-ACB
AC/Bike path: pmt		\$2.50 / SF x	N	0.0	=	\$0.00 Fee ID N-STR-ACP
Sidewalk: new		\$9.75 / SF x	N	0.0	=	\$0.00 Fee ID N-STR-SAW
Sidewalk: replace		\$13.25 / SF x	N	0.0	=	\$0.00 Fee ID N-STR-SWR
Resurfacing		\$2.55 / SF x	N	0.0	=	\$0.00 Fee ID N-STR-RESU
Landscaped Median		\$20.35 / SF x	N	0.0	=	\$0.00 Fee ID N-STR-LANM
Hardscaped Median		\$11.63 / SF x	N	0.0	=	\$0.00 Fee ID N-STR-HARD
<u>Traffic Signals (equipment only)</u>				<u>% of Lump Sum</u>		
Traffic Signal-3 leg	\$130,200.00	/ LS x	N	0%	=	\$0.00 Fee ID N-STR-TS3L
Traffic Signal-4 leg	\$158,500.00	/ LS x	N	0%	=	\$0.00 Fee ID N-STR-TS4L
<u>Curb and Gutter</u>				<u>Lineal Footage</u>		
Curb/Gutter: new	\$25.85	/ LF x	N	0.0	=	\$0.00 Fee ID N-STR-C/G
Curb/Gutter: replace	\$33.40	/ LF x	N	0.0	=	\$0.00 Fee ID N-STR-C/GR
Curb Ramps	\$1,057.63	/ LF x	N	0.0	=	\$0.00 Fee ID N-STR-CR

7/7/2016 10:53 AM

Front Foot Charges Continued

(Used to charge and reimburse fees for existing infrastructure)

Storm Drain

801-2601-PWD0-3899

\$0.00

Storm Mains - including manholes, catch basins and other pertinenes.
Developer responsibility is up to and including 24" mains.

		Half Pipe			Lineal Footage		
18 inch	Main	\$63.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD18-1/2
21 inch	Main	\$69.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD21-1/2
24 inch	Main	\$70.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD24-1/2
27 inch	Main	\$82.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD27-1/2
30 inch	Main	\$89.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD30-1/2
33 inch	Main	\$91.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD33-1/2
36 inch	Main	\$95.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD36-1/2
42 inch	Main	\$99.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD42-1/2
48 inch	Main	\$117.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD48-1/2
54 inch	Main	\$137.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD54-1/2
60 inch	Main	\$158.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD60-1/2
66 inch	Main	\$179.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD66-1/2
72 inch	Main	\$200.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD72-1/2
78 inch	Main	\$216.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD78-1/2
84 inch	Main	\$231.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD84-1/2
90 inch	Main	\$246.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD90-1/2
96 inch	Main	\$261.00	/ LF x	N	0.0	=	\$0.00 Fee ID N-SD96-1/2

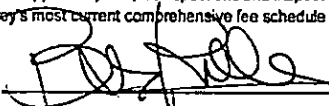
NOTE: All deferred and/or estimated fees will be adjusted to the rates in effect at the time fees are paid.

The undersigned agrees to provide actual construction costs for recalculation of fees and pay any underestimated fees prior to final acceptance. If the recalculated fees are less than the estimate, the City of Gilroy will refund the difference. Additional plan review required by changes, additions or revisions to approved plans, reinspections and inspections outside of normal business hours will be billed as shown in the City of Gilroy's most current comprehensive fee schedule at the hourly rates in effect at the time of inspection.

Accepted by:

Print Name:

Date:



Brent Kowter

8/28/17



John M. F. L. C. O. A.

8/30/17

7/7/2016 10:53 AM

OVERSIZING SCHEDULE

(Used to reimburse oversized infrastructure)

Total Oversized Water, Sewer and Storm Drain Main Reimbursement

\$0.00

Total Oversized Water Main Reimbursement

(Developer is responsible for up to and including 12" mains)

\$0.00

		Oversized Full Pipe \$/foot	Minimum 12" main Full Pipe \$/foot	Oversized Footage	Oversized Reimbursement	
14 inch	Main	\$114.00	\$104.00	x 0.0	\$0.00	N
16 inch	Main	\$124.00	\$104.00	x 0.0	\$0.00	N
18 inch	Main	\$135.00	\$104.00	x 0.0	\$0.00	N
20 inch	Main	\$151.00	\$104.00	x 0.0	\$0.00	N
24 inch	Main	\$164.00	\$104.00	x 0.0	\$0.00	N
30 inch	Main	\$182.00	\$104.00	x 0.0	\$0.00	N
36 inch	Main	\$211.00	\$104.00	x 0.0	\$0.00	N

Total Oversized Sewer Main Reimbursement

(Developer is responsible for up to and including 12" mains)

\$0.00

		Oversized Full Pipe \$/foot	Minimum 12" main Full Pipe \$/foot	Oversized Footage	Oversized Reimbursement	
15 inch	Main	\$174.00	\$166.00	x 0.0	\$0.00	N
18 inch	Main	\$186.00	\$166.00	x 0.0	\$0.00	N
21 inch	Main	\$204.00	\$166.00	x 0.0	\$0.00	N
24 inch	Main	\$211.00	\$166.00	x 0.0	\$0.00	N
27 inch	Main	\$244.00	\$166.00	x 0.0	\$0.00	N
30 inch	Main	\$287.00	\$166.00	x 0.0	\$0.00	N
33 inch	Main	\$315.00	\$166.00	x 0.0	\$0.00	N
36 inch	Main	\$356.00	\$166.00	x 0.0	\$0.00	N
39 inch	Main	\$423.00	\$166.00	x 0.0	\$0.00	N
42 inch	Main	\$529.00	\$166.00	x 0.0	\$0.00	N

Total Oversized Storm Drain Main Reimbursement

(Developer is responsible for up to and including 24" mains)

\$0.00

		Oversized Full Pipe \$/foot	Minimum 24" main Full Pipe \$/foot	Oversized Footage	Oversized Reimbursement	
27 inch	Main	\$164.00	\$140.00	x 0.0	\$0.00	N
30 inch	Main	\$177.00	\$140.00	x 0.0	\$0.00	N
33 inch	Main	\$182.00	\$140.00	x 0.0	\$0.00	N
36 inch	Main	\$189.00	\$140.00	x 0.0	\$0.00	N
42 inch	Main	\$197.00	\$140.00	x 0.0	\$0.00	N
48 inch	Main	\$233.00	\$140.00	x 0.0	\$0.00	N
54 inch	Main	\$273.00	\$140.00	x 0.0	\$0.00	N
60 inch	Main	\$315.00	\$140.00	x 0.0	\$0.00	N

7/7/2016 10:53 AM

Oversizing Schedule Continued

(Used to reimburse oversized infrastructure)

Oversized Storm Drain Main Reimbursement Continued

			Oversized Full Pipe \$/foot	Minimum 24" main Full Pipe \$/foot		Oversized Footage		Oversized Reimbursement	
66 inch	Main		\$357.00	\$140.00	x	0.0	=	\$0.00	N
72 inch	Main		\$399.00	\$140.00	x	0.0	=	\$0.00	N
78 inch	Main		\$431.00	\$140.00	x	0.0	=	\$0.00	N
84 inch	Main		\$461.00	\$140.00	x	0.0	=	\$0.00	N
90 inch	Main		\$492.00	\$140.00	x	0.0	=	\$0.00	N
96 inch	Main		\$522.00	\$140.00	x	0.0	=	\$0.00	N

CALIFORNIA ALL-PURPOSE 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.

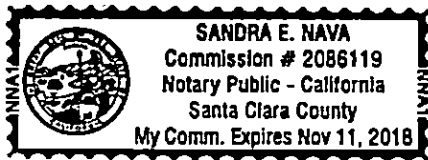
State of California)

County of Santa Clara)On October 17, 2017 before me, Sandra E. Nava, Notary Public
Date Here Insert Name and Title of the Officerpersonally appeared Gabriel A. Gonzalez
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.

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 Sandra E. Nava
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is 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: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

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 Alameda

On August 28, 2017, before me, Mandi M. Misasi, Notary Public

(here insert name and title of the officer)

personally appeared Bridgit Koller

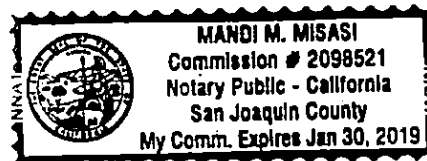
who proved to me on the basis of satisfactory evidence to be the person(s)-whose name(s)-is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),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

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

WITNESS my hand and official seal.

[Signature]

Signature



(SEAL)

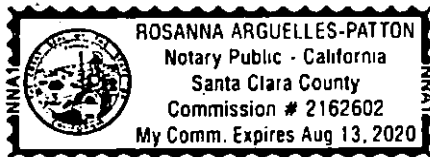
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

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 August 30, 2017 before me, Rosanna Argüelles-Patton, Notary Public.
Date Here Insert Name and Title of the Officerpersonally appeared John M. Filice, Jr.
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.



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 R. Argüelles-Patton
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached DocumentTitle or Type of Document: Prop. Improvement Agreement No. 2016-03 Document Date: August 20, 2017Number of Pages: 13, plus Exhibit A Signer(s) Other Than Named Above: _____**Capacity(ies) Claimed by Signer(s)**Signer's Name: John M. Filice, Jr.☒ Corporate Officer — Title(s): Manager Authorized☐ Partner — ☐ Limited ☐ General Rep.☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____Signer Is Representing: Filice Family Estate

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

SEPARATE PAGE PURSUANT TO GOVT. CODE 27361.6

RECORDING REQUESTED BY:
City of Gilroy

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

NOTICE OF ACCEPTANCE OF COMPLETION

NOTICE IS HEREBY GIVEN that work agreed to be performed under the property agreement between the City of Gilroy, a municipal corporation, whose address is 7351 Rosanna Street, Gilroy, CA 95020, and the Contractor mentioned below who developed said project, was accepted as completed by the City of Gilroy on the .

Project No.: Property Improvement Agreement No. 2017-06, Santa Teresa/Ballybunion/Luchessa Roundabout and Class I Trail

Contractor Name: Lennar Homes of California (Formerly CalAtlantic Group, Inc.)

Contractor Address: 2603 Camino Ramon, 525, San Ramon, CA 94583

Surety on Contract: Harco National Insurance Company

Location of Project: Intersection of Santa Teresa/Ballybunion/Luchessa

Description of Work: Road, Trail, and Utility Improvements

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

Owner's Name: City of Gilroy

Work Done: Public Improvements include construction of the Santa Teresa/Ballybunion/Luchessa Roundabout, Class I Trail, and utilities. _____

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

The undersigned declares:

That he is an officer of the City of Gilroy, that he has read the foregoing Notice of Acceptance of Completion and knows the contents thereof; and that the same is true of his own knowledge, except as to those matters that he believes it 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 February_26, 2024.

STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

CITY OF GILROY

BY _____
Jorge Duran

TITLE Interim City Engineer.

This document is for the benefit of the City of Gilroy. Request for Recordation without fee is made in accordance with Section 27383 of the Government Code of the State of California.

RECORDING REQUESTED BY:)

City of Gilroy)

WHEN RECORDED, MAIL TO:)

City Clerk)

City of Gilroy)

7351 Rosanna Street)

Gilroy, CA 95020)

RECORDED WITHOUT FEE PER CALIFORNIA GOVERNMENT CODE SECTION 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

NOTICE OF ACCEPTANCE OF COMPLETION

PROPERTY IMPROVEMENT AGREEMENT NO. 2017 – 06

Santa Teresa/Ballybunion/Luchessa Roundabout and Class I Trail

DEVELOPER NAME : Lennar Homes of California (Formerly CalAtlantic Group, Inc.)

SEPARATE PAGE PURSUANT TO GOVERNMENT CODE SECTION 27361.6

RESOLUTION NO. 2024-XX**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF GILROY AMENDING THE BUDGET FOR
THE CITY OF GILROY FOR 2023-2024 AND
APPROPRIATING FUNDS IN THE TRAFFIC IMPACT
FEE FUND**

WHEREAS, the City Administrator prepared and submitted to the City Council a budget for the City of Gilroy for Fiscal Years 2023-2024 and 2024-2025, and the City Council carefully examined, considered and adopted the same on June 5, 2023; and

WHEREAS, City Staff has prepared and submitted to the City Council proposed amendments to said budget for Fiscal Year 2023-2024 for the City of Gilroy in the staff report dated February 26, 2024 for the Acceptance of Completion for Property Improvement Agreement No. 2017-06, Ballybunion Dr and Santa Teresa Blvd Roundabout.

NOW, THEREFORE, BE IT RESOLVED THAT the appropriations for Fiscal Year 2023-2024 in Fund 425 – Traffic Impact Fee Fund shall be increased by \$2,336,800.

PASSED AND ADOPTED this 26th day of February 2024 by the following roll call vote:

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

APPROVED:

Marie Blankley, Mayor

ATTEST:

Beth Minor, Interim City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title: Adoption of a Resolution of the City Council of the City of Gilroy Approving a Fiscal Year 2024 Budget Amendment for \$20,813 for a County of Santa Clara Office of Emergency Management Training and Exercise Grant

Meeting Date: February 26, 2024
 From: Jimmy Forbis, City Administrator
 Department: Fire
 Submitted By: Jim Wyatt, Fire Chief
 Prepared By: Jennifer Fortino, Management Analyst

STRATEGIC PLAN GOALS

Maintain and Improve City Infrastructure

RECOMMENDATION

Adopt a resolution of the City Council of the City of Gilroy amending the budget for Fiscal Year 2024 and appropriating proposed budget amendments of \$20,813.

EXECUTIVE SUMMARY

The City of Gilroy was awarded a grant from the County of Santa Clara Office of Emergency Management (OEM) to pay for overtime associated with an Incident Response to Terrorist Bombings (IRTB) Train-the-Trainer course. The County of Santa Clara OEM awards grants annually to Fire Departments and other emergency response agencies within Santa Clara County to provide funding for critical emergency and disaster training. The Gilroy Fire Department was awarded \$20,813 to fund the overtime for four (4) Fire Department personnel to attend the Federal Emergency Management Agency (FEMA) sponsored IRTB Train-the-Trainer course in May 2024.

BACKGROUND

The County of Santa Clara OEM allocates yearly training and exercise grants to fire and emergency response agencies within Santa Clara County. These grants focus on preparing agencies to build, sustain, mitigate, and improve each agency's ability to prepare and respond to terrorist threats and disasters.

ANALYSIS

The grants awarded by the County of Santa Clara OEM enhance the capabilities of Santa Clara County fire departments and emergency response agencies to prepare and effectively respond to terrorist attacks.

Due to current fiscal constraints, participation in the IRTB Train-the-Trainer course is only feasible with grant funding. FEMA is sponsoring this course at no cost to the Department; however, FEMA will not pay for the overtime the Department will incur during this multi-day training course. This grant will provide the overtime funding needed to allow four (4) Fire Department personnel to attend. The Department will further benefit from this training when the four (4) personnel train department staff on the techniques they learned during this training course.

The Fire Department has benefitted from the grants the County of Santa Clara OEM has awarded the Department over the years. In prior years, grant funds were used to participate in Emergency Medical Services (EMS) trainings, including last year's Basic and Advanced Tactical Medic Training.

City Council action is required to appropriate the grant funds into the FY 24 budget for Fund 100 to receive this grant funding. The proposed FY 24 appropriations are as follows:

Expenditure Fund: 1003510-50130 - Overtime
Revenue Fund: 1003500-47330 - Reimburesment

ALTERNATIVES

The City Council may reject the acceptance of the County of Santa Clara OEM grant for \$20,813. However, staff does not recommend this option as it would prevent staff from participating in critical terrorist preparedness training that will benefit the City's first responders and Gilroy residents.

FISCAL IMPACT/FUNDING SOURCE

Approval of this action would increase the revenue and the expenditure appropriations in the Fire Operations budget in the General Fund (100) by \$20,813.

Adoption of a Resolution of the City Council of the City of Gilroy Approving a Fiscal Year 2024^{7.5}
Budget Amendment for \$20,813 for a County of Santa Clara Office of Emergency Management
Training and Exercise Grant

PUBLIC OUTREACH

This item was included in the publicly posted agenda for this meeting.

NEXT STEPS

Upon Council approval, staff will register four (4) Fire Department personnel for the IRTB Train-the-Trainer course scheduled in May 2024.

Attachments:

1. Budget amendment resolution

RESOLUTION NO. 2024-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY
AMENDING THE BUDGET FOR THE CITY OF GILROY FOR FISCAL
YEAR 2024 IN THE PROPOSED FIRE EXPENDITURE AND
REVENUE FUNDS 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 2024 and 2025, and the City Council carefully examined, considered, and adopted the same on June 5, 2023; and

WHEREAS, City Staff has prepared and submitted to the City Council a proposed amendment to said budget for Fiscal Year 2024 for the City of Gilroy in the staff report dated February 26, 2024, for the related Fire Department expenditure and revenue funds, appropriating funding received from the County of Santa Clara Office of Emergency Management; 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 and revenue accounts in the General Fund, are hereby increased by \$20,813 for Fiscal Year 2024.

PASSED AND ADOPTED this 26th day of February 2024 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Beth Minor, Interim City Clerk

CERTIFICATE OF THE CLERK

I, **BETH MINOR**, Interim City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2024-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 held on Council held **Monday**, February 26, 2024, with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **February 26, 2024**.

Beth Minor
Interim City Clerk of the City of Gilroy

(Seal)



City of Gilroy

STAFF REPORT

Agenda Item Title: Adoption of a Resolution of the City Council of the City of Gilroy Approving a Fiscal Year 2024 Budget Amendment of \$33,080.66 for a County of Santa Clara Health Care System Grant

Meeting Date: February 26, 2024
 From: Jimmy Forbis, City Administrator
 Department: Fire
 Submitted By: Jim Wyatt, Fire Chief
 Prepared By: Jennifer Fortino, Management Analyst

STRATEGIC PLAN GOALS

Maintain and Improve City Infrastructure

RECOMMENDATION

Adopt a resolution of the City Council of the City of Gilroy amending the budget for Fiscal Year 2024 and appropriating proposed budget amendments of \$33,080.66.

EXECUTIVE SUMMARY

The City of Gilroy was awarded a grant from the County of Santa Clara Health System to purchase Emergency Medical Services (EMS) equipment and supplies. The County of Santa Clara Health System awards grants annually to Fire Departments and EMS providers within Santa Clara County to provide funding to equip these agencies with critical EMS equipment and supplies. The Gilroy Fire Department was awarded \$33,080.66 to purchase needed EMS software, equipment, and supplies.

BACKGROUND

The County of Santa Clara Health System allocates yearly grants to Fire and EMS providers within Santa Clara County. Each year, the County of Santa Clara Health System and Fire and EMS provider representatives vote on the type and category of EMS equipment and supplies to fund with that year's grant allocation. This year's EMS

funding supports purchasing an electronic medication tracking system and iPads to collect patient care data in the field.

ANALYSIS

The County of Santa Clara Health System grant enhances the Fire Department's capabilities when responding to emergency calls for service.

This grant will allow the Fire Department to replace its current manual medication tracking system with an electronic system. This system tracks when medications have been received and used and maintains an electronic log of who checks in and checks out medication. The system also alerts staff when medication is nearing expiration and when it is time to reorder medication.

The purchase of new engine iPads will replace the Department's aging inventory. Properly functioning iPads are critical tools for the Department's paramedics, who capture crucial patient data when responding to medical calls.

The Fire Department has benefitted from the grants the County of Santa Clara Health System has awarded the Department over the years. In prior years, grant funds were used to purchase Automated External Defibrillators (AEDs) and Automated Chest Compression (ACC) devices.

City Council action is required to appropriate the grant funds into the FY24 Fire Operations budget in the General Fund (100) to receive and expend this grant funding.

ALTERNATIVES

The City Council may reject the acceptance of the County of Santa Clara Health System grant in the amount of \$33,080.66. However, staff does not recommend this option as it would require the Department to delay the purchase of this equipment until alternative funding can be identified.

FISCAL IMPACT/FUNDING SOURCE

Approval of this action would increase the revenue, and related expenditure appropriations, in the Fire Operations budget in the General Fund (1003510) by \$33,081.

PUBLIC OUTREACH

This item was included in the publicly posted agenda for this meeting.

NEXT STEPS

Upon Council approval, staff will finalize the purchase of the electronic medication

tracking system and the engine iPads.

Attachments:

1. Budget amendment resolution.

RESOLUTION NO. 2024-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY
AMENDING THE BUDGET FOR THE CITY OF GILROY FOR
FISCAL YEAR 2024 IN THE PROPOSED FIRE EXPENDITURE AND
REVENUE FUNDS 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 2024 and 2025, and the City Council carefully examined, considered, and adopted the same on June 5, 2023; and

WHEREAS, City Staff has prepared and submitted to the City Council a proposed amendment to said budget for Fiscal Year 2024 for the City of Gilroy in the staff report dated February 26, 2024, for the related Fire Department expenditure and revenue funds, appropriating funding received from the County of Santa Clara Office of Emergency Management; 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 and revenue accounts in the General Fund, are hereby increased by \$20,813 for Fiscal Year 2024.

PASSED AND ADOPTED this 26th day of February 2024 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Beth Minor, Interim City Clerk

CERTIFICATE OF THE CLERK

I, **BETH MINOR**, Interim City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2024-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 held on Council held **Monday, February 26, 2024**, with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **February 27, 2024**.

Beth Minor
Interim City Clerk of the City of Gilroy

(Seal)



City of Gilroy

STAFF REPORT

Agenda Item Title: Award a Contract in the amount of \$408,134 to Blue Raster for Bicycle and Pedestrian Geographic Information Systems Consultant Services and Approve a Budget Amendment in the Measure B Fund

Meeting Date: February 26, 2024

From: Jimmy Forbis, City Administrator

Department: Administration

Submitted By: Bryce Atkins, Assistant to the City Administrator

Prepared By: Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS

Ensure Neighborhood Equity from City Services

RECOMMENDATION

Council:

- a. Award a contract to Blue Raster for \$408,134 for bicycle and pedestrian geographic information systems consultant services, and authorize the City Administrator to execute the agreement and any non-financial amendments to the agreement.
- b. Adopt a resolution amending the FY24 adopted budget to increase appropriations in the Measure B Fund (Fund 212) by \$408,134.

BACKGROUND

The City receives funding from an allocation of Measure B, adopted in 2016, for the intent of education and encouragement for bicycle and pedestrian activity (E/E Funds). The City receives an allocation each year based on an allocation formula managed by the Santa Clara Valley Transportation Authority (VTA). These funds can be used for education and encouragement activities but cannot be used for capital projects or improvements.

A Geographic Information System (GIS) mapping of the City's bicycle and pedestrian paths and trails has been a recurring project on the annual program of projects.

The City issued an RFP on December 12, 2023, with a final closing date of January 31, 2024. The City received six proposals.

ANALYSIS

The project entails a consultant to use global positioning systems (GPS) to map out the City's various bicycle and pedestrian trails and paths, incorporate other bicycle and pedestrian activities such as Safe Routes to School Data and the County's Public Health Active Transportation grant efforts, and map other features in the City's bicycle and pedestrian network to educate and encourage residents to walk, jog, and bike along the pathway networks in the City. Upon successful mapping and providing all data and GIS layers to our IT Department for incorporation into our GIS systems, the project includes providing the data to various GPS mapping programs to allow routes for walking and biking to be available when mapping travel routes through the City.

Below are the six proposals received, and the associated cost quotes, in alphabetical order.

Firm Name	Cost Estimate	Evaluator's Combined Score
Arini Geographics	\$124,130	83
Blue Raster	\$408,134	169
Evari GIS	\$149,000	128
Geomate	\$55,300	84
Houseal Levigne	\$79,950	147
Kaart	\$63,700	124

Staff is requesting Council to approve the award of the project to Blue Raster, despite the cost proposal being the highest. The scope of the RFP involves using manual GPS to map the network, including fine details including path width, composition, direction of flow, etc. As part of the question-and-answer portion of the RFP process, one of the submitters inquired about the use of artificial intelligence (AI) to compile the data and handle the mapping. After consulting with our GIS Analyst, the data with AI (even as recently as a year ago) still requires significant cleanup and the chance of errors and inaccuracies are high. Thus, it was determined that the work must be manually captured, that the use of AI, aerial, or street imagery to conduct the mapping or assessment is not acceptable, and that physical GPS-based mapping is required.

Despite this, only one firm submitted a methodology that matches this requirement, which is Blue Raster. The other firms propose to use either AI, aerial imagery, street imagery, or a combination of all three, to complete their work. This data collection work

is also the largest cost item for Blue Raster, and accounts for a combined \$357,749 of their estimated project costs. However, the increase in accuracy and detailed collection of pedestrian and bicycle network assets (fix-it stations, benches, water fountains, trail classifications, public art locations, etc.) will be valuable data to have, as well as the precision in data and awareness of network features for those using the public facing system and online resources.

Proposed Scope of Work

Below is the proposed scope of work as called for in the RFP. The scope specifics are still under refinement with Blue Raster to ensure that the detailed procedures and steps in the project are captured and correct. This is summarized from the RFP scope.

Task 1: Project Management and Coordination with City Staff and Outside Expertise

- The Consultant will schedule regular conference calls with City staff to review the project status and provide summaries of work completed and projected work plan for the remainder of the project. Invoices must be submitted electronically to the City's project manager.

Task 2: GPS Mapping of Locations

Utilizing GPS, the Consultant shall map:

- Bicycle lanes, paths, and all other bicycle designated routes and areas.
- Sidewalks and walking trails, paths, and all other pedestrian designated routes and areas.
- Key features and equipment along the above routes, including bicycle fixing stations, public drinking fountains, bike racks with distinction as to type, location of any wayfinding signs, and other public amenities along the above lanes, paths and routes, including any public art.
- Mapping shall include the width, length, and other physical features of the various lanes and paths, as well as identifying which classifications and qualities are present in each of the above.

Task 3: Creation of GIS layers for City

- Consultant shall enter the data acquired in Task 2 into GIS layers, at least one layer for the bicycle trails and path network, and at least one layer for the pedestrian trails and path network. Final number of layers are subject to the selected proposal, and the proposed scope of work enhancements, as described in the proposal contents section below.

Task 4: Creation and/or Coordination of Public Facing Websites and Portals of Certain GIS Maps

- Consultant shall create a public facing, interactive map on the City's website, or a separate website that would be under the control of the City, which shall provide a visual representation of the various bike and pedestrian facilities the City has, including any features such as the City's Bike Fix-It stations, drinking fountains,

and other features along the possible routes. The map will also feature the Safe Routes to School pathways and County Encouragement maps.

- Consultant will also provide the information to mapping and navigation software providers to facilitate navigation along the bicycle and pedestrian pathways.

Funding Source

The funding for this project is coming from the Measure B E/E funds. According to VTA staff, the City has accumulated approximately \$265,000 to-date in Measure B E/E funds. In consultation with VTA staff, the City may engage the full cost of the consultant now, and complete the project. The City would then invoice VTA and be reimbursed each fiscal year until the full balance is reimbursed. No General Fund sources are proposed for use in this project. A resolution amending the City's adopted budget is attached to appropriate the contract amount. As additional funding allocations becomes available from VTA for Measure B E/E funds in future fiscal years, staff will then submit the reimbursement invoices to VTA until the expenditure in the Measure B fund for this project is fully reimbursed.

About Blue Raster

Blue Raster is a firm that specializes in GIS and software development for federal, state, and local governments. They have been in existence for 22 years and have 31 employees with various specialties within this field. The proposal also incorporates a subcontractor to do the GPS field work, Windrose Surveying and Land Services, that will provide survey teams to collect the physical data in person and provide to Blue Raster's team for processing.

The City's RFP evaluation team, comprised of our GIS Analyst and one of our Public Works engineers, ranked the methodology for Blue Raster as the highest of all submittals, and the firm and staffing team qualifications were in the higher rankings of the firms. Staff feels that Blue Raster is the consulting firm with the best project approach and team at this time to deliver this project.

Conclusion

Staff is recommending that Council authorize the City Administrator to execute the agreement, as well as authorize any amendments for the duration of the project, except any that increase the not-to-exceed total contract amount of \$408,134. Any amendments that would seek to increase the total contract amount would come back to Council for approval.

ALTERNATIVES

Council may choose to not award the contract or reject all bids. This is not recommended as the project proposals have been received and evaluated, and the proposed project is in keeping with the intent of the Measure B E/E funds and the Program of Projects. Re-bidding the project to modify the scope would reset the project to the RFP development phase, adding further time to implement the project.

FISCAL IMPACT/FUNDING SOURCE

\$408,134 - Measure B Bicycle and Pedestrian Program. Upon completion of the project, the City will invoice VTA to draw down majority of the expenditure from the current allocation in the amount of \$265,000 and draw down the remaining \$143,134 from future fiscal year allocations. No General Fund sources are proposed for use by this project.

PUBLIC OUTREACH

The item was included on the publicly posted agenda for this meeting. Additionally, there will be a public outreach campaign developed by City staff to advertise this project and the final webpage for the maps and awareness events along the City's bicycle and pedestrian networks.

NEXT STEPS

If approved, staff will finalize the contract with Blue Raster, and commence the project.

ATTACHMENTS

1. Resolution – Budget Amendment – Measure B Fund 212

RESOLUTION NO. 2024-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY
AMENDING THE BUDGET FOR THE CITY OF GILROY FOR
FISCAL YEAR 2023-24 IN THE MEASURE B FUND 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 Years 2023-24 and 2024-2025, and the City Council carefully examined, considered and adopted the same on June 5, 2023; and

WHEREAS, City Staff has prepared and submitted to the City Council a proposed amendment to said budget for Fiscal Year 2023-24 for the City of Gilroy in the staff report dated February 26, 2024 for the Bicycle and Pedestrian GIS Consultant Services Contract; and

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

NOW, THEREFORE, BE IT RESOLVED THAT appropriations for Fiscal Year 2023-24 are hereby increased in the Measure B Fund, Fund 212, by \$408,134.

PASSED AND ADOPTED this 26th day of February 2024 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Beth Minor, Interim City Clerk

CERTIFICATE OF THE CLERK

I, **BETH MINOR**, Interim City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2024-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 held on Council held **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 **Date**.

Beth Minor
Interim City Clerk of the City of Gilroy

(Seal)



City of Gilroy

STAFF REPORT

Agenda Item Title: Award a Contract to Kimley-Horn and Associates, Inc. for the Design of Two Traffic Signals Project No. 24-RFP-PW-498 in the amount of \$149,854, Approve a Project Contingency of \$29,971, and Approve a Total Project Expenditure of \$179,825 for Design Services

Meeting Date: February 26, 2024

From: Jimmy Forbis, City Administrator

Department: Public Works

Submitted By: Heba El-Guindy, Public Works Director

Prepared By: Julie Oates, Engineer II

STRATEGIC PLAN GOALS

Maintain and Improve City Infrastructure

RECOMMENDATION

Award a contract to Kimley-Horn and Associates, Inc. in the amount of \$149,854 and approve a project contingency of \$29,971 for a total project expenditure of \$179,825 for the Design of Two Traffic Signals Project No. 24-RFP-PW-498 and authorize the City Administrator to execute the contract and associated documents.

EXECUTIVE SUMMARY

The Design of Two Traffic Signals Project No. 24-RFP-PW-498 (Project) includes the design and preparation of bid documents for new traffic signals at the Luchessa Avenue/Church Street and Monterey Street/I.O.O.F. Avenue intersections. These projects are included in the Fiscal Year 2024-2028 Capital Improvement Program (CIP), adopted by the City Council on June 5, 2023. The proposed not-to-exceed contract amount is \$149,854. Staff requests authorization for an additional \$29,971 for contingency, for a total project expenditure of \$179,825 for design services. Staff recommends the City Council award a contract to Kimley-Horn and Associates, Inc. of Oakland, CA, to design and prepare the bid documents for the Project.

BACKGROUND

The Project includes the design and preparation of bid documents for two new traffic signals. These projects are included in the Fiscal Year 2024-2028 Capital Improvement Program (CIP), adopted by the City Council on June 5, 2023.

1. Luchessa / Church Traffic Signal Installation (800350)
2. Monterey / I.O.O.F. Traffic Signal Installation (800370)

Signalization of these intersections will enhance pedestrian and vehicular safety and improve traffic operations for all modes of travel. The Supplemental EIR for the Gilroy Ice Center at the Outdoor Sports Park calls for the installation of a traffic signal at the intersection of Luchessa / Church Street to mitigate traffic needs.

Traffic signal improvements at the Luchessa Avenue / Church Street intersection will include safety lighting, pedestrian countdown signals, a marked crosswalk across Luchessa Avenue, and upgrades to meet ADA compliance.

Traffic signal improvements at the Monterey Street / I.O.O.F. Avenue intersection will include safety lighting, pedestrian countdown signals, and upgrades to meet ADA compliance. In addition, due to the proximity of the Union Pacific Railroad (UPRR) tracks, the design will include signal interconnection with the nearby at-grade highway-railroad crossing east of the intersection.

The two signal projects have been bundled together to provide time and cost savings in the design and in the future construction of the improvements.

ANALYSIS

On December 29, 2023, a Request for Proposals (RFP) was issued to the seven consultants on the City's prequalified list of design consultants (from a previous Request for Qualifications) for the design of traffic signal improvements.

Staff received three proposals from the following consultant teams:

1. Hexagon Transportation Consultants, Inc.
2. Iteris, Inc.
3. Kimley-Horn and Associates, Inc.

The proposals were evaluated by an internal scoring committee and ranked per the criteria identified in the RFP. Kimley-Horn and Associates, Inc. was ranked the highest and was selected based on their local knowledge, experience, project understanding, and project approach.

8.2

Award a Contract to Kimley-Horn and Associates, Inc. for the Design of Two Traffic Signals Project No. 24-RFP-PW-498 in the amount of \$149,854, Approve a Project Contingency of \$29,971, and Approve a Total Project Expenditure of \$179,825 for Design Services

ALTERNATIVES

The alternative to the staff recommendation is to not award the contract. Staff does not recommend this option because it would delay the design, and ultimately, the construction of the traffic signal improvements.

FISCAL IMPACT/FUNDING SOURCE

The proposed cost for the design services is \$149,854. Staff recommends a contingency of \$29,971 (20%) to address any unanticipated changes or requests from outside agencies (e.g., UPRR or CA PUC due to the proximity of an at-grade highway-railroad crossing). Therefore, the total expenditure allocation request is \$179,825.

The Project will be funded by the Traffic Impact Fund (425). The design phase traffic installation at both intersections is included in the FY24 budget (CIP Project #800350 and 800370).

PUBLIC OUTREACH

There is no public outreach planned during the design phase of the project. Appropriate public outreach will be conducted for the construction phase of the project.

NEXT STEPS

If Council approves the proposed contract with Kimley-Horn and Associates, Inc., staff will direct the consultant to begin the design process. Final design and bid documents are anticipated to be completed in October 2024. Bidding and construction would begin soon after the design and bid documents are completed.

Attachments:

1. Kimley-Horn and Associates, Inc. - Agreement

AGREEMENT FOR SERVICES
(For design professional contracts over \$5,000)

This AGREEMENT made this 26th day of February, 2024 between:

CITY: City of Gilroy, having a principal place of business at
7351 Rosanna Street, Gilroy, California

and CONSULTANT: Kimley-Horn and Associates, Inc., having a principal place of business at
1300 Clay Street, Suite 325, Oakland, CA 94612.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on March 18, 2024 and will continue in effect through December 31, 2026 unless terminated in accordance with the provisions of **Article 7** of this Agreement.

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 and **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"**. In no event however shall the total compensation paid to CONSULTANT exceed \$149,854.00.

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 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 misconduct 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.

G. Prevailing Wage

CONSULTANT agrees and acknowledges that it is its obligation to determine whether, and to what extent, any work performed is or any workers employed relative to any construction to be performed under this Agreement are subject to any Codes, Ordinances, Resolutions, Rules and other Regulations and established policies of CITY and the laws of the State of California and the United States, including, without limitation, the California Labor Code and Public Contract Code relating to public contracting and prevailing wage requirements ("Prevailing Wage Laws"). To the extent Prevailing Wage Laws apply to work performed or workers employed for the purpose of performing work under this Agreement, CONSULTANT shall fully comply with and ensure that all workers and/or subcontractors are informed of and comply with all Prevailing Wage Laws and specifically any applicable requirement of California Labor Code Sections 1720 et seq. and 1770 et seq. and the regulations thereunder, which require the payment of prevailing wage rates based on labor classification, as determined by the State of California, and the performance of other requirements on certain "public works" or "maintenance" projects. It is the duty of CONTRACTOR to post a copy of applicable prevailing wages at the job site. Prevailing wage information may be obtained at www.dir.ca.gov.

No CONSULTANT or Subconsultant may be awarded an Agreement containing Public work elements unless registered with the Department of Industrial Relations (DIR) pursuant to Labor Code 1725.5. Registration with DIR must be maintained throughout the entire term of this AGREEMENT, including any subsequent amendments.

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.I.**, no later than thirty (30) days after CITY's 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 satisfactorily completed 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 use due professional care to 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 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.

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.I.** 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. Consultant shall not have liability for any delays, expenses, losses, damages or be deemed in breach for liabilities which are caused by any factor outside of its reasonable control, including but not limited to natural disasters, epidemics, pandemics, quarantine restrictions, adverse weather, or acts of the City, third parties, or governmental agencies.

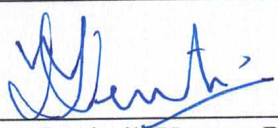
L. Waiver

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:

KIMLEY-HORN AND ASSOCIATES,
INC.

By: 

Name: Frederik Venter, PE # 64621

Title: Vice President

Social Security or Taxpayer

Identification Number 56-0885615

Approved as to Form

CITY:

CITY OF GILROY

By: _____

Name: Jimmy Forbis

Title: City Administrator

ATTEST:

City Attorney

4845-6718-3385v1
LACI04706083

City Clerk

p. 125 of 478

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 Kevin Aguigui, PE, TE, EE, 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 satisfactorily complete the Services required herein.

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, Jorge Duran, PE 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.I.** ("Notices") of this **Exhibit "A"**.

B. COMPLETION OF SERVICES

When CITY determines that CONSULTANT has satisfactorily completed all of the Services, 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 satisfactorily completed all of the Services and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONSULTANT has not satisfactorily completed all of such Services, 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. CONSULTANT'S SERVICES TO BE APPROVED BY A REGISTERED PROFESSIONAL ENGINEER

All civil (including structural and geotechnical) engineering plans, calculations, specifications and reports shall be prepared by, or under the responsible charge of, a licensed civil engineer and shall include his or her name and license number. Interim documents shall include a notation as to the intended purpose of the document, such as "preliminary" or "for review only." All civil engineering plans and specifications that are permitted or that are to be released for construction shall bear the signature and seal of the licensee and the date of signing and sealing or stamping. All final civil engineering calculations and reports shall bear the signature and seal or stamp of the licensee, and the date of signing and sealing or stamping.

B. 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.

C. 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. 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.

D. 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.

E. 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.

F. 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.

G. 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.E** 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.

H. 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.

I. NOTICES.

Notices are to be sent as follows:

CITY: Jorge Duran, PE
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

CONSULTANT: Kevin Aguigui, PE, TE, EE
Kimley-Horn and Associates, Inc.
1300 Clay Street, Suite 325
Oakland, CA 94612

J. 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.J.** 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.J.** 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.

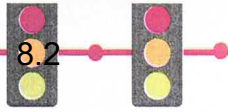
2. Cost Principles

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



1. PROJECT UNDERSTANDING

The primary objective of the project is to install two new traffic signals to reduce delays and congestion, while increasing safety at the intersections of Luchessa Avenue and Church Street and Monterey Street and I.O.O.F. Avenue.

The project will consist of new traffic signal installations at these intersections, verification of intersection lighting, data collection, and associated civil improvements. At the intersection of Monterey Street and I.O.O.F Avenue, coordination with UPRR and the CPUC will be a major focus of the project due to the proximity of the intersection to UPRR DOT crossing #755181T. Kimley-Horn anticipates that UPRR will require a site diagnostic meeting alongside CPUC to discuss improvements and how they may impact the crossing, given that the project intersection is about 300 feet from the crossing. In addition to a site diagnostic meeting, it is anticipated that a UPRR will require the City to complete a queueing study at the crossing to demonstrate that project improvements will not cause additional queueing over the tracks compared to what might exist in the field today. Improvements to the tracks will be handled under a separate project. Our scope includes coordination with UPRR/CPUC to identify any potential immediate and longer term improvements, but the design of these improvements is not part of our scope.

Civil improvements will include the evaluation of existing curb ramps to ensure they meet ADA standards as well as the design of new ADA curb ramps as needed for new signal designs. A topographic survey will be conducted to confirm results of the evaluation of existing curb ramps.

In addition to curb ramps, pedestrian push button assemblies and pedestrian signal heads will be proposed as appropriate. The proposed topographic survey will also be used to determine existing City right-of-way to ensure that any proposed signal infrastructure and civil improvements are not installed within private right-of-way.

Kimley-Horn will work with the City to gain the necessary environmental approval for this project. Based on the scope of the project, the project could qualify for a Categorical Exemption (CE) under the California Environmental Quality Act (CEQA). It is assumed that the City of Gilroy will be the lead agency in the environmental approval process. If it is determined that Caltrans intends to be the lead CEQA agency, additional studies may be required.

PRELIMINARY FIELD ASSESSMENT

Kimley-Horn had a chance to conduct field observations to support this proposal. Our field observations focused on key areas including: the existing corridor characteristics, traffic operations, ADA compliance, equipment installation, and utility coordination. Our key observations are listed below.

Existing Corridor Characteristics

Luchessa Avenue is an east-west corridor at the southern end of the City of Gilroy. Church Street connects two residential neighborhoods just west of Monterey Highway and US-101. Just south of the project intersection is Lusitano Park and Gilroy Park. Because of the residential nature of this



neighborhood and the proximity to Gilroy High School, it can be assumed that this area features a significant amount of pedestrian and bicycle volume during the school year. The speed limit along Luchessa Avenue is currently marked at 40 miles per hour, while the speed limit along Church Street is marked at 30 miles per hour.

Monterey Street is a north-south corridor that traverses the entire City of Gilroy. The area surrounding the project intersection includes several businesses and an at-grade UPRR crossing. There is also a school immediately east of the intersection and the UPRR crossing. The crossing at the project intersection currently features signage, markings, and infrastructure for a school crossing. Through the project area, the Santa Clara Valley Transit Authority (VTA) features several bus routes including 68 and 568. Gilroy-Lockheed Marin Transit Route 121 also traverses the project intersection. The marked speeds along this segment of Monterey Street are 30 miles per hour. On I.O.O.F Avenue, the marked speeds are 25 miles per hour.

TRAFFIC OPERATIONS

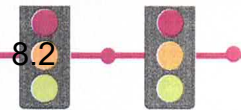
Luchessa Avenue features two lanes in the east and west directions. On the western leg of the project intersection, the number of lanes starts to drop from two lanes to one lane. The eastbound approach of Luchessa Avenue at the project intersection opens up from one lane to three lanes at the intersection. There are currently protected left-turn pockets on both the eastbound and westbound approach at the project intersection. There are also bike lanes along eastbound and westbound Luchessa Avenue at Church Street. On-street parking exists at the intersection along Church Street. It is important to note that there are currently no marked crosswalks to cross from the southern leg of the intersection to the northern leg along Church Street. Currently, the only crosswalks to cross from north to south and vice versa exist at the intersections of Luchessa Avenue and Princevalle Street and also Luchessa Avenue and Monterey Highway. Both of these intersections are greater than 500 feet away from the project intersection, which more than likely means pedestrians crossing from north to south are doing so illegally.

Monterey Street features two lanes in each direction. I.O.O.F Avenue features one lane in each direction. The project intersection is technically considered to be a three-leg intersection, but the driveway for the laundromat on the west leg of the intersection should be considered for access once the intersection is signalized. There are marked yellow crosswalks on the north and east legs of the intersection. The intersection also features a rectangular rapid flashing beacon (RRFB) for crossing Monterey Street. Left turns from Monterey Street to I.O.O.F Avenue are currently only allowed on weekends and between 9 am and 2 pm, and between 4 pm and 7 am.

RIGHT-OF-WAY

The implementation of new traffic signals and other improvements will depend on available public right-of-way (ROW). At the intersection of Luchessa Avenue and Church Street, existing ROW seems to be mostly available as there are planters, clearly delineated walkways, and visible property boundaries.

At the intersection of Monterey Street and I.O.O.F Avenue, the available public ROW appears



to be more limited. There are also a variety of driveways, particularly on the west side of the intersection, that will impact the placement of signal infrastructure.

For both project intersections, ROW will be clearly identified based on the topographic survey that is set to be completed.

LUCHESSA AVENUE AND CHURCH STREET

Utility Coordination

For the implementation of a new traffic signal at this location, the positive identification of utilities will be a high priority. Kimley-Horn will work with the City of Gilroy to gather utility data from both City and private utility providers and ensure that the data is shown on the produced plans. In addition to collecting data directly from the utility companies, Kimley-Horn will be potholing four locations at each of the project intersections to ensure that there are no utility conflicts at the proposed pole locations. If conflicts arise, we will be able to relocate signal poles prior to construction, which will ensure that delays during the construction phase are minimized.

During our preliminary field visit we noted that there are currently fire hydrants on both the SW and NE corners. We also noted an electrical box on the SE corner and a water junction box on the SW corner.

Since this intersection is not currently signalized, coordination with Pacific Gas and Electric Company (PG&E), will be a key element to coordinate. Kimley-Horn will guide the City of Gilroy through the approval and construction process with PG&E as this is something we have extensive experience doing. To avoid any delays in construction, this process will likely have to start before the plans are finalized.

Existing Infrastructure

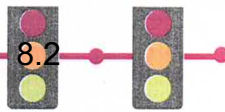
The intersection of Luchessa Avenue and Church Street is not currently signalized. As such, there is no need to reuse any of the existing infrastructure. To accommodate the placement of new traffic signal poles, it is very likely that the existing street lights at the NE and SE corners will have to be removed.

Proposed Infrastructure

Based on our preliminary field visit, the curb ramps at the NE and NW corners of the intersection will need to be replaced to meet ADA standards. The existing curb ramps at the SW and SE corners appear to ADA-compliant and as such will not be recommended to be replaced. The topographic survey will confirm this preliminary evaluation once it is completed.

There are currently no crosswalks to cross Luchessa Avenue. With the implementation of traffic signals and pedestrian signal heads, it is recommended that high-visibility crosswalks are added to cross from the southern leg of the intersection to the northern. The existing crosswalks will also be upgraded to high-visibility but will likely remain in the same location.

Kimley-Horn proposes to install traffic signal poles at all corners of the project intersection. To ensure that the intersection is appropriately illuminated, safety lights are proposed at each of



the project intersection corners. A lighting analysis following local and national guidelines will be completed to ensure that the proposed lights provide the highest level of safety for the proposed signal operations. As there is currently a left turn lane for both approaches along Luchessa Avenue, a protected left turn signal phase will be proposed. In addition to poles, we proposed to install pedestrian push button posts to comply with ADA standards and to mount Audible Pedestrian Signals (APS). APS will also be mounted on proposed signal posts whenever feasible. Pedestrian signal heads are proposed to support all new crosswalks and existing crossings. There is on-street parking along Church Street that will likely be impacted by proposed signal elements. Also, driveway access for the nearby homes will have to be maintained during construction. TSP equipment is also proposed at this intersection to support future VTA deployments. Lastly, detection will be accomplished using video detection.

Kimley-Horn proposes to install a new service pedestal and controller cabinet to support the proposed traffic signal at this intersection. From our preliminary field visit, we have identified the SW corner as the best location for the traffic signal controller. This location is subject to change based on data collection that will be completed upon selection. **All of these elements described above are summarized in Figure 1 on page A-19.**

MONTEREY STREET AND I.O.O.F AVENUE

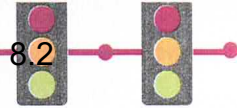
Utility Coordination

Similar to the intersection of Luchessa Avenue and Church Street, this intersection is not currently signalized. At this intersection there is an existing RRFB system with poles currently installed along the north leg of the intersection and in the median. These poles are currently solar powered, so there is not an opportunity to tap into their source of power for the proposed signal. During our preliminary field visit, we did not notice any utilities that may be impacted by the implementation of a new traffic signal at this location.

Railroad Crossing Information (US DOT #755181T)

This intersection is within 300 feet of an active, at-grade crossing owned and operated by UPRR. Kimley-Horn has extensive experience coordinating with UPRR and CPUC to get proposed projects adjacent to railroad crossings approved. As part of our preliminary field visit, we were able to gather information regarding the existing operations of the crossing at I.O.O.F. Avenue. This crossing is on the UPRR Coast Subdivision and has a total of 6 crossings during the daytime (6 am to 6 pm) and 5 crossings at nighttime (6 pm to 6 am). The trains traversing this crossing have a maximum timetable speed of 35 miles per hour and have a typical range of over crossing speed of 17 to 35 miles per hour. The Federal Railroad Administration (FRA) lists that in the year 2016, the Average Annual Daily Traffic (AADT) at the crossing was 4,569 vehicles with an estimated 5 percent of those vehicles being trucks and an average of 6 school buses per day.

From our previous experience, we are anticipating that UPRR and CPUC will require the project team to conduct at least one field diagnostic meeting to discuss existing conditions at the crossing and provide signage and other recommendations that could be implemented as part of this project. We understand that any work that is recommended by UPRR/CPUC will not be part of this project, but it is important to acknowledge that this will likely happen. Additionally, it



is very likely that UPRR/CPUC will require the City of Gilroy to conduct a queuing study as part of installing a new traffic signal at the project intersection. The queueing study will require that traffic counts be completed at the crossing to determine if the crossing currently experiences vehicles backed up onto the tracks and if the proposed signal will cause any additional queuing that will impact railroad operations. To ensure that we have the necessary data to complete this study, Kimley-Horn is proposing that counts be taken at the crossing.

Existing Infrastructure

There is currently an RRFB system installed along the northern leg of the intersection. These poles will have to be removed to accommodate the proposed signal elements. The street light in the median on the southern leg of the intersection will likely be able to remain as it will not impact any of the proposed signal improvements. One of the main challenges at this intersection is the presence of driveways along the western side of the intersection. These driveways will need to remain open during construction of the proposed signal.

Proposed Infrastructure

Based on our preliminary field visit, we noted that all of the curb ramps at the intersection of Monterey Street and I.O.O.F. Avenue appear to be ADA-compliant and as such will not need to be upgraded as part of this project. Final determination of curb ramp upgrades is still dependent on any necessary traffic signal pole installations as well as the results of the topographic survey.

The existing crosswalks at the project intersection will remain where they are today. No additional crossing will be proposed at the southern leg of the project intersection. A total of five poles are proposed at this intersection. Three of the proposed poles feature safety lighting. Similar to Luchessa Avenue and Church Street, the entire intersection will be evaluated to ensure that lighting levels meet national safety standards. Pedestrian signal heads and APS are proposed on the poles at the NW, NE, and SE corners of the intersection. TSP equipment is also proposed at this intersection to support existing and future VTA and other partner transit routes. Video detection will be proposed to support signal operations at this intersection.

The proposed controller cabinet and service pedestal is set to be located at the NW corner of the intersection. The location is subject to change based on more accurate utility information and a future walkthrough with the City.

All of the elements described above are summarized in Figure 2 on sheet A-20.

SCHEDULE

Our proposed schedule is provided on the right. We will submit the 30% PS&E package end of May 2024, assuming that our coordination with UPRR/CPUC and data collection are complete. Over the following three months, we anticipate receiving environmental clearance and submitting our 95% PS&E package (late August 2024). We anticipate completing the final PS&E by late September 2024. Our team is prepared to successfully meet the City's expedited schedule. We have done a lot of upfront work to understand the key issues on this project, and combined with our experience on other similar projects, the Kimley-Horn team is ready to move forward quickly.



SCOPE OF WORK

TASK 1: PROJECT MANAGEMENT AND COORDINATION

The **Kimley-Horn** project manager and task managers will supervise, coordinate, and monitor planning and design of the project for conformance with standards and policies established at the beginning of the project.

The Kimley-Horn team will schedule and facilitate a kickoff meeting to discuss the project scope of work, schedule, budget, requests for pertinent City-owned documentation, and an understanding of communication lines, proposed project approach, and potential design challenges. During the kickoff meeting, Kimley-Horn and the City will agree on the appropriate regulatory agencies, utility owners, and local stakeholders needed to coordinate with. Following the meeting, Kimley-Horn will prepare and provide meeting minutes. Design leads from Kimley-Horn and subconsultants will attend the kickoff meeting. Kimley-Horn will attend monthly meetings (up to 12) with City staff (virtually) to discuss project status, design coordination, and other critical issues throughout the project development.

Kimley-Horn will provide administration efforts as follows: work plan, project schedule, processing monthly invoices, and preparing monthly progress reports. Invoices will be prepared in a format acceptable to the City. Monthly progress reports will be prepared with each invoice and will include a summary of the effort performed that month, including ongoing efforts and deliverables.

Kimley-Horn will perform an in-house QA/QC review of each deliverable prior to submitting to the City for each submittal (35%, 65%, 95%, and final bid documents). Kimley-Horn's quality control review for each submittal will include an interdisciplinary review of the entire design package for coordination among the various design elements.

Deliverables:

- ▶ Meeting minutes
- ▶ PDF of project schedule updates
- ▶ Monthly Invoices and Progress Summaries

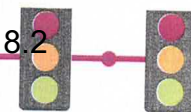
TASK 2: DATA COLLECTION

Sub-Task 2.1 — Gather Existing Information

Background research will include a detailed field review of the project corridor and a review of readily available and relevant project documents and design standards.

Sub-Task 2.2 — Utility Coordination

We will verify utility as-builts and intersection record drawing information provided by the City and utility companies. We will prepare utility information request letters (to be on City letterhead). Our team will compile public utility system maps, as-built traffic signal plans, previous design plans, and details for use in project design; and submission of utility information request letters to privately-owned utility companies with facilities in the public right-of-way that may be affected by this project. As necessary, we will work with pertinent utilities to identify utility conflicts, coordinate utility plan reviews, conduct



necessary coordination meetings, and coordinate with the utility companies for any required utility relocations. This includes the preparation of utility letters (Notice to Owner) with project location exhibits. The utility requests will be on City letter head to avoid paying fees. All affected or potentially affected utilities will be shown on the design plans. The utility coordination will be conducted in accordance with Caltrans *Manual on High and Low Risk Underground Facility within Highway Rights of Way*. Our first objective will be to eliminate any conflicts encountered during construction resulting in construction delays or claims.

Sub-Task 2.3 — Topographic Survey and Base Map Creation

Kimley-Horn will perform necessary coordination with Whitson regarding the topographic survey, the location of the survey limits, the necessary field elements to be include in the survey, and base map creation. This task included effort for the project CADD files to be set-up, including base map incorporation.

Sub-Task 2.4 — Site Visits and Data Collection

Kimley-Horn staff (and City staff if available) will walk the entire project corridor to observe existing traffic conditions, intersection geometries, traffic signals, pedestrian conditions, assess existing lane configurations, signal phasing, posted speed limits, existing bus stops and routes, and visible utilities (above and below ground), as well as ADA curb ramp and roadway pavement conditions. The data collection also includes weekday peak hour turning movement counts, average daily traffic counts, as well as peak period queue studies at the Monterey Street/IOOF Avenue intersection as part of the UPRR coordination activities.

Sub-Task 2.5 — Potholing

Kimley-Horn will perform necessary coordination with Exaro in regard to the pothole locations needed throughout the design process. The pothole locations will be where the potential new street or signal improvements conflict with existing utilities.

Deliverables:

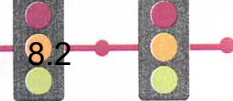
- ▶ Utility Information included in Base Mapping
- ▶ Utility Matrix
- ▶ Utility notices
- ▶ Pothole request exhibit
- ▶ Pothole summary data
- ▶ Traffic counts

TASK 3: UPRR/CPUC COORDINATION

As part of the 35% design stage, Kimley-Horn will coordinate with the Union Pacific Railroad (UPRR) and California Public Utilities Commission (CPUC) on presenting the proposed traffic signal improvements at the railroad crossing. As part of this coordination, Kimley-Horn will schedule, attend, and facilitate one (1) field diagnostic meeting. It is not anticipated that a GO 88-B application will be necessary, but we will be able to prepare one should it be determined to be necessary by CPUC.

Deliverables:

- ▶ Diagnostic meeting notes



TASK 4: TRAFFIC ANALYSIS

Kimley-Horn will use the traffic count data collected to develop a Synchro model for the project intersections for each peak period (AM, midday, PM). We will analyze the proposed traffic signals for different lane geometries and signal phasing.

After the analysis is complete, Kimley-Horn will prepare recommendations for traffic signal phasing and lane geometries at the proposed traffic signals and submit to the City. The recommendations will include the inclusion of protected left-turn phasing and the confirmation of storage lengths for the left-turn lanes.

Following confirmation of the final traffic signal phasing and lane geometries, Kimley-Horn will develop the proposed coordination plans to be implemented post-construction for the full set of project intersections.

Deliverables:

- ▶ Traffic Analysis Memorandum

TASK 5: ENVIRONMENTAL CLEARANCE

Based on the nature of the proposed project, Kimley-Horn anticipates that the project could qualify for a Categorical Exemption (CE) under the California Environmental Quality Act (CEQA) per Section 15301 (Class 1), Existing Facilities. Further, it is our understanding that the City of Gilroy will be the CEQA Lead Agency. Should it be determined that Caltrans intends to be the CEQA lead agency, additional technical studies may be required. To qualify for the Class 1 CEQA CE, the project must meet all requirements of CEQA Guidelines Section 15301 and no conditions listed in CEQA Guidelines Section 15300.2, Exceptions, may be met. Kimley-Horn will prepare a brief memorandum substantiating why the project meets these criteria, which would be attached to a Notice of Exemption (NOE). This task assumes one round of revisions to the NOE and supporting memorandum, in response to one round of consolidated comments. Should it be determined in the course of preparing the brief, qualitative memorandum to support the NOE that the project fails to meet the requirements of CEQA Guidelines Section 15300.2, Kimley-Horn anticipates that the project could qualify for an Initial Study/(Mitigated) Negative Declaration (IS/MND). A revised scope and fee will be required should an IS/MND be needed. This task assumes all filing of notices would be handled by the Client.

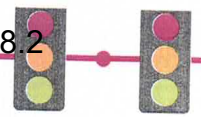
It is assumed that no National Environmental Protection Act (NEPA) review is required and that no impacts to resources requiring permits from applicable resource agencies would occur. Should NEPA review or permits be required, a revised scope and fee will be required.

Sub-Task 5.1 — Environmental Coordination and Meeting Attendance

Up to two (2) Kimley-Horn environmental staff will participate in one (1) hour-long kickoff meeting. The team's CEQA project manager will participate in up to nine (9) hours of regular internal meetings, Client meetings, stakeholder/agency meetings, and hearings for ongoing strategy discussions and project consideration.

Sub-Task 5.2 — Prepare Notice of Exemption

A Notice of Exemption (NOE) will be prepared based on previous work with the City and the most



recent version of the Office of Planning and Research (OPR) form. The project team will respond to one, consolidated round of City comments and edits to the NOE.

Sub-Task 5.3 — Required Electronic Document Submittal Assistance

All CEQA documents are now required to be submitted to the State Clearinghouse in electronic format. The project team will assist the City by submitting documents to the State on the City's behalf.

Deliverables:

- ▶ Draft NOE
- ▶ Final NOE

TASK 6: STORMWATER DATA REPORT

Kimley-Horn will prepare a Stormwater Data Report summarizing the Project impacts to water quality and recommended best management practices (BMPs). We will perform detailed calculations to support design and details of water pollution control measures, low impact design features, and treatment BMPs as applicable.

Deliverables:

- ▶ Stormwater Data Report (SWDR)

TASK 7: 35% SUBMITTAL

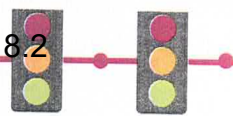
Using the base map and topographic survey, Kimley-Horn will prepare the 35 percent submittal. The 35 percent submittal will identify the existing improvements, City right-of-way, and proposed improvements. The 35% submittal will provide representative cross sections of the new improvements. An initial construction cost estimate with appropriate contingencies will be provided. It is assumed that both intersections will be prepared in one submittal package. The following sheets and subtasks for the 35% submittal are listed below.

The anticipated sheets for the civil plans in the conceptual submittal will include the following:

- ▶ Title Sheet (1)
- ▶ General Notes (1)
- ▶ Signing and Striping (2)

This task includes performing a photometric lighting analysis for the proposed intersection design. Kimley-Horn will coordinate with the City on current lighting and luminaire requirements. The lighting analysis will conform to existing City lighting standards (if any) and the ANS/IES Recommended Practice for Lighting Roadway and Parking Facilities (RP-8-21). Kimley-Horn will plan to layout combo traffic signal/light poles at the intersection.

Kimley-Horn will complete the lighting analysis, consistent with current readily available and applicable standards and will provide the lighting analysis to the City in PDF format. Kimley-Horn assumes that no revisions will be made to the lighting analysis, but all City comments will be incorporated into the 65% Lighting Plans.



It should be noted that any changes to the lighting and luminaire requirements after this analysis has been approved may require additional design fee.

A photometric exhibit will be prepared to reflect the results of the lighting analysis including the lighting levels and other necessary parameters (e.g., uniformity ratios).

The anticipated sheets for the signal and lighting plans include the following:

- ▶ Traffic Signal Plan (1)
- ▶ Lighting Analysis Exhibit

For the 35% submittal, no traffic signal schedules, interconnect, or lighting plans will be prepared.

Kimley-Horn also will develop and prepare an opinion of probable construction cost based on the design, with appropriate contingencies and assumptions based on cost of materials.

Deliverables:

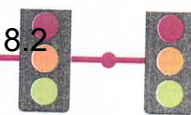
- ▶ Plans in PDF format
- ▶ Engineer's Opinion of Probable Cost in PDF format
- ▶ Lighting Analysis
- ▶ Lighting Memo
- ▶ Photometric Exhibit

TASK 8-10: 65% SUBMITTAL, 95% SUBMITTAL, AND BID PACKAGE SUBMITTAL

Based on one set of non-conflicting comments from the City and other stakeholders on the 35% submittal, Kimley-Horn will prepare the 65% PS&E. The intent of the 65% submittal is to provide plans and project documents in sufficient detail to allow for thorough and complete review. A project schedule update will be provided during the comment disposition coordination meeting with the City. The following is a list of the plan sheets assumed for the 65% submittal. The 95% submittal and Bid Package submittal are assumed to have the sheets listed in the 35% submittal as well as the additional sheets below.

- ▶ Traffic Control (4)
- ▶ Construction Details (2)
- ▶ Traffic Signal Plan (1)
- ▶ Traffic Signal Schedules (1)
- ▶ Traffic Signal Details (1)
- ▶ Street Lighting Plan (1)
- ▶ Lighting Details (1)

Kimley-Horn will develop and prepare an opinion of probable construction cost based on the design, with appropriate contingencies and assumptions based on cost of materials.



Sub-Task 10.4 — Specifications

Technical specifications will be developed at the 65% level. We assume that the City will provide their front-end boilerplate specification and that it will require minimal editing, including incorporating project specific information (project name, notice to contractors, estimate, etc). Technical specifications will be developed using Caltrans special provisions and any City-provided technical specifications. All proposed changes to special provisions will be tracked beginning at the 65% level. The special provisions will incorporate permit requirements including any required mitigation measures. Changes will be tracked in the specifications up until the Bid set PS&E, when all changes will be accepted, and a clean version provided.

Deliverables:

- ▶ Plans in PDF format
- ▶ Engineer's Opinion of Probable Cost – .PDF format
- ▶ Technical Specifications
- ▶ Electronic Copy of meeting minutes
- ▶ Disposition of Comment Matrix
- ▶ AutoCAD drawings (For Bid Package Submittal)

TASK 11: BID SUPPORT

Bidding and construction phase engineering support will include answering City staff questions during the bid phase and preparation of record drawings.

The Kimley-Horn team will attend a pre-bid Conference and a job walk with the City to discuss the project and provide support on questions regarding the plans, specifications, and estimates.

The Kimley-Horn team will assist the City in responding to questions from interested contractors during the bidding process, and prepare any contract addenda, as necessary.

Kimley-Horn will assist the City by providing assistance in the form of prompt response to any questions, RFI's and/or material submittals for all hardscape, landscape, and landscape irrigation elements during the bidding process. Consultant assumes up to thirty (30) hours for this task. Additional time required shall be provided as additional services.

The Kimley-Horn team will prepare a conformed construction set to include all addenda and any relevant changes made during the bidding period. The Kimley-Horn team will also assist the City in analyzing the bids provided for the project by the contractor.

Deliverables:

- ▶ Conform Plans in PDF format, as needed
- ▶ Responses to RFIs
- ▶ Review of Addenda



TASK 12: CONSTRUCTION SUPPORT

Sub-Task 12.1 — Construction Support

Construction support will include review of submittals, responding to contractor requests for information (RFIs), and review of contract change orders.

Construction phase engineering support services will be provided on a time and materials basis, based on hourly billing rates, up to the maximum number of hours as indicated in the separately sealed Cost Proposal. Kimley-Horn will notify the City upon reaching approximately 80% of the approved level of effort and provide recommendation or request additional contract authorization, if necessary. Additional services will be provided if requested by the City, subject to additional fee.

Kimley-Horn will prepare record drawings based on redline markups of the plans to be provided by the Contractor.

Sub-Task 12.2 — Traffic Signal Timing and Coordination

The Kimley-Horn team will develop traffic signal timing for the new traffic signals. This will include redlined markups of traffic signal timing sheets based on the City's preferred traffic signal controller hardware and software. Our team will assist the City and/or Contractor during the implementation and signal turn-on.

Deliverables:

- ▶ Traffic Signal Timing sheets
- ▶ Record Drawings

SCHEDULE

Our proposed schedule is provided in Section 2: Project Schedule. We will submit the 30% PS&E package end of May 2024, assuming that our coordination with UPRR/CPUC and data collection are complete. Over the following three months, we anticipate receiving environmental clearance and submitting our 95% PS&E package (late August 2024). We anticipate completing the final PS&E by late September 2024. Our team is prepared to successfully meet the City's expedited schedule. We have done a lot of upfront work to understand the key issues on this project, and combined with our experience on other similar projects, the Kimley-Horn team is ready to move forward quickly.

FEE PROPOSAL

We propose to perform the Scope of Services outlined in on a time and materials fee, not to exceed the fee in the attached spreadsheet.

EXHIBIT “C”
MILESTONE SCHEDULE

2. PROJECT SCHEDULE

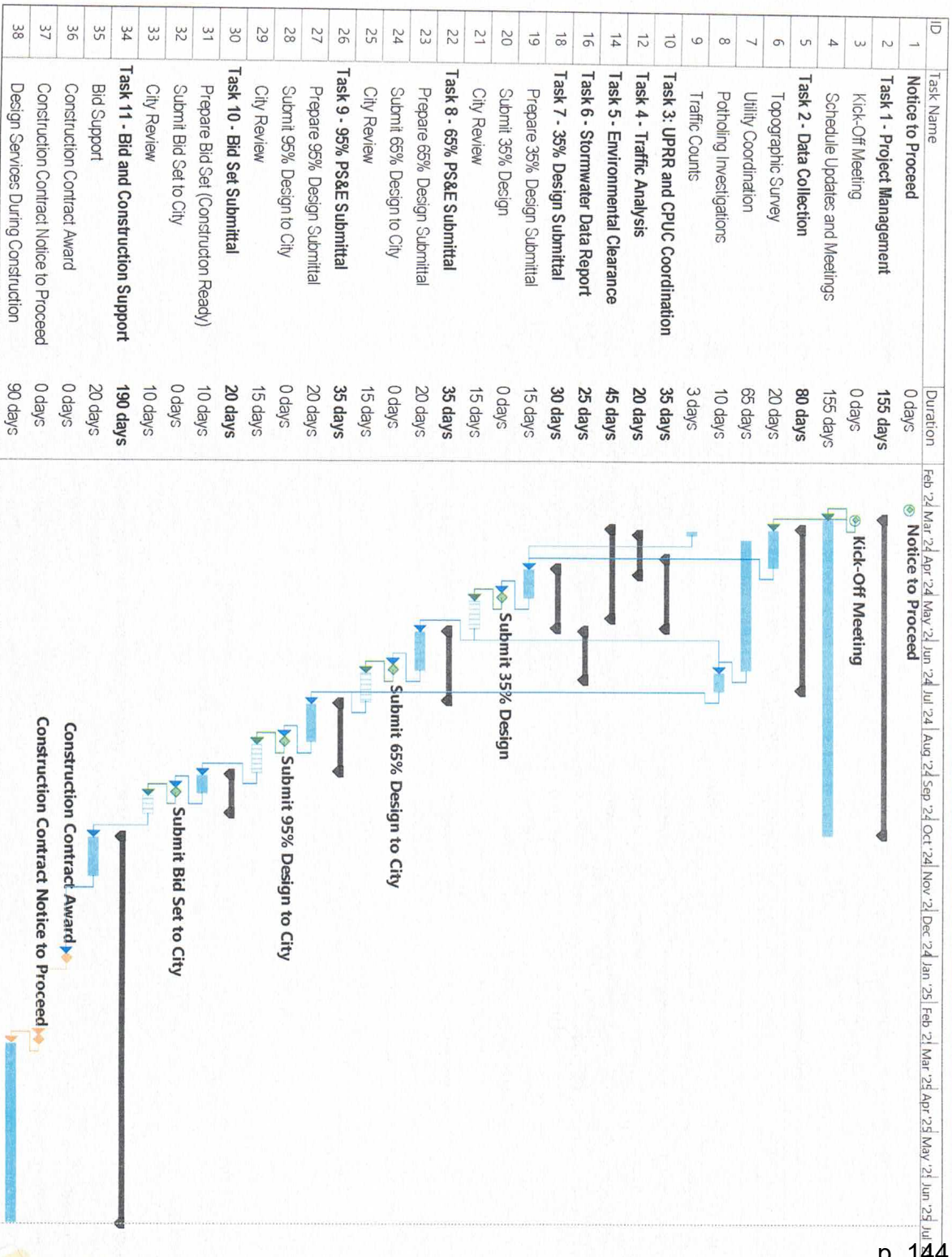


EXHIBIT “D”
PAYMENT SCHEDULE

CITY OF GILROY
Engineering Services for the Design of Two Traffic Signals
Project No. 24-RFP-PW-498
Luchessa Avenue/Church Street

Kimley-Horn and Associates, Inc.												
Category/Title		Sr.	Sr.	Sr.	Sr.	Professional	Analyst II	Analyst II	Analyst I	Project Support	TOTAL HOURS	TOTAL COST
Billing Rate		Professional II	Professional II	Professional I	Professional I							
Task 1	Project Management and Coordination	\$395	\$350	\$315	\$255	\$230	\$200	\$175	\$160	\$145	14	\$ 3,525
1.1	Project Management and Coordination	4	1			2		4		3	14	\$ 3,525
Task 2	Data Collection										14	\$ 3,525
2.1	Gather Existing Information	4				5		5			14	\$ 3,605
2.2	Utility Coordination					1		1			2	\$ 405
2.3	Topographic Survey and Base Map Creation	1				1		1			3	\$ 800
2.4	Site Visits and Data Collection	1				1		1			3	\$ 800
2.5	Potholing					1		1			2	\$ 405
Task 3	UPRR/CPUC Coordination	2				1		1			4	\$ 1,195
3.1	UPRR/CPUC Coordination											\$ -
Task 4	Traffic Analysis											\$ -
4.1	Traffic Analysis	1				3			8		12	\$ 2,365
Task 5	Environmental Clearance	1				3			8		12	\$ 2,365
5.1	Environmental Coordination and Meeting Attendance				4		3		5		12	\$ 2,420
5.2	Prepare Notice of Exemption				2		1				3	\$ 710
5.3	Required Document Submittal Assistance				1		1		4		6	\$ 1,095
Task 6	Stormwater Data Report			3			1		1		3	\$ 615
6.1	Stormwater Data Report			3			8		8		19	\$ 3,825
Task 7	35% Submittal										19	\$ 3,825
7.1	Civil Plans	3	1			5	2	5	3		19	\$ 4,440
7.2	Lighting Analysis and Memo					1	2		1		4	\$ 790
7.3	Traffic Signal and Lighting Plans	1				1		2	2		6	\$ 1,295
7.4	Opinion of Probable Construction Cost	1				2		2			5	\$ 1,205
Task 8	65% Submittal					1		1			4	\$ 1,150
8.1	Civil Plans	3	4			9	3	5	7		31	\$ 7,250
8.2	Traffic Signal and Lighting Plans		1			2	3		3		9	\$ 1,890
8.3	Opinion of Probable Construction Cost	1				3		4	4		12	\$ 2,425
8.4	Specifications	1				2		1			5	\$ 1,380
Task 9	95% Submittal					2					5	\$ 1,555
9.1	Civil Plans	4	3			8	3	6	6		30	\$ 7,080
9.2	Traffic Signal and Lighting Plans					2	3		2		7	\$ 1,380
9.3	Opinion of Probable Construction Cost	1				2		4	4		11	\$ 2,195
9.4	Specifications	1				2		2			6	\$ 1,555
Task 10	Bid Package Submittal					2					6	\$ 1,950
10.1	Civil Plans	3	3			7	2	10	8		33	\$ 7,275
10.2	Traffic Signal and Lighting Plans					1	2		4		7	\$ 1,270
10.3	Opinion of Probable Construction Cost	1				2		8	4		15	\$ 2,895
10.4	Specifications	1	2			2		2			6	\$ 1,555
		1	2			2					5	\$ 1,555

CITY OF GILROY
Engineering Services for the Design of Two Traffic Signals
Project No. 24-RFP-PW-498
Luchessa Avenue/Church Street

Kimley-Horn and Associates, Inc.										TOTAL HOURS	TOTAL COST
Category/Title	Billing Rate	Sr. Professional II	Sr. Professional II	Sr. Professional I	Sr. Professional I	Professional	Analyst II	Analyst II	Analyst I		
Task 11	Bid Support	3				6		7	4		
11.1	Pre-Bid Conference	1				2		3		3	\$ 855
11.2	Response to RFI's	1				2		4		6	\$ 1,380
11.3	Conform Set and Bid Analysis	1				2		6	4	11	\$ 2,195
Task 12	Construction Support	6				6		6		18	\$ 4,800
12.1	Construction Support	4				3		3		10	\$ 2,795
12.2	Traffic Signal Timing and Coordination	2				3		3		8	\$ 2,005
	TOTAL HOURS	31	12	3	4	51	21	48	49	222	
	Subtotal Labor:	\$12,245	\$4,200	\$945	\$1,020	\$11,730	\$4,200	\$8,400	\$7,840		\$ 51,015
	Other Direct Costs										\$ 17,992
	Travel/Mileage/Outside Printing/Courier Services										\$ 500
	Whitson (Survey)										\$ 4,728
	Exaro (Potholing)										\$ 12,044
	Quality Counts (Traffic Counts)										\$ 720
	TOTAL COST:										\$ 69,007

CITY OF GILROY
Engineering Services for the Design of Two Traffic Signals
Project No. 24-RFP-PW-498
Monterey Street/I.O.F. Avenue

Kimley-Horn and Associates, Inc.												TOTAL HOURS	TOTAL COST
Category/Title	Billing Rate	Sr. Professional II	Sr. Professional II	Sr. Professional I	Sr. Professional I	Professional	Analyst II	Analyst II	Analyst I	Project Support			
Task 1	Project Management and Coordination	4	2			2		8		6	22	\$ 5,010	
1.1	Project Management and Coordination	4	2			2		8		6	22	\$ 5,010	
Task 2	Data Collection	4				7		8			19	\$ 4,590	
2.1	Gather Existing Information					1		2			3	\$ 580	
2.2	Utility Coordination	1				2		1			4	\$ 1,030	
2.3	Topographic Survey and Base Map Creation	1				1		2			4	\$ 975	
2.4	Site Visits and Data Collection					2		1			3	\$ 635	
2.5	Potholing	2				1		2			5	\$ 1,370	
Task 3	UPRR/CPUC Coordination	4				4		8			16	\$ 3,900	
3.1	UPRR/CPUC Coordination	4				4		8			16	\$ 3,900	
Task 4	Traffic Analysis	1				5			8		14	\$ 2,825	
4.1	Traffic Analysis	1				5			8		14	\$ 2,825	
Task 5	Environmental Clearance				4		3		4		11	\$ 2,260	
5.1	Environmental Coordination and Meeting Attendance				2		1				3	\$ 710	
5.2	Prepare Notice of Exemption				1		1		3		5	\$ 935	
5.3	Required Document Submittal Assistance				1		1		1		3	\$ 615	
Task 6	Stormwater Data Report			2			4		4		10	\$ 2,070	
6.1	Stormwater Data Report			2			4		4		10	\$ 2,070	
Task 7	35% Submittal	3	1			6	2	16	7		35	\$ 7,235	
7.1	Civil Plans					1	2		2		5	\$ 950	
7.2	Lighting Analysis and Memo	1				2		10	5		18	\$ 3,405	
7.3	Traffic Signal and Lighting Plans	1				2		5			8	\$ 1,730	
7.4	Opinion of Probable Construction Cost	1	1			1		1			4	\$ 1,150	
Task 8	65% Submittal	3	4			5	3	6	7		28	\$ 6,505	
8.1	Civil Plans		1			1	3		3		8	\$ 1,660	
8.2	Traffic Signal and Lighting Plans	1				2		4	4		11	\$ 2,195	
8.3	Opinion of Probable Construction Cost	1	1			1		2			5	\$ 1,325	
8.4	Specifications	1	2			1					4	\$ 1,325	
8.5	Comment Disposition Coordination											\$ -	
Task 9	95% Submittal	3	3			8	3	6	6		29	\$ 6,685	
9.1	Civil Plans					2	3		2		7	\$ 1,380	
9.2	Traffic Signal and Lighting Plans	1				2		4	4		11	\$ 2,195	
9.3	Opinion of Probable Construction Cost	1	1			2		2			6	\$ 1,555	
9.4	Specifications	1	2			2					5	\$ 1,555	
9.5	Comment Disposition Coordination											\$ -	
Task 10	Bid Package Submittal	3	3			5	2	6	6		25	\$ 5,795	
10.1	Civil Plans					1	2		3		6	\$ 1,110	
10.2	Traffic Signal and Lighting Plans	1				2		4	3		10	\$ 2,035	
10.3	Opinion of Probable Construction Cost	1	1			1		2			5	\$ 1,325	
10.4	Specifications	1	2			1					4	\$ 1,325	

CITY OF GILROY
Engineering Services for the Design of Two Traffic Signals
Project No. 24-RFP-PW-498
Monterey Street/I.O.F. Avenue

Kimley-Horn and Associates, Inc.										TOTAL HOURS	TOTAL COST
Category/Title	Billing Rate	Sr. Professional II	Sr. Professional II	Sr. Professional I	Sr. Professional I	Professional	Analyst II	Analyst II	Analyst I		
Task 11 Bid Support		3				6		7	4		
11.1 Pre-Bid Conference		1				2				3	\$ 4,430
11.2 Response to RFIs		1				2		3		6	\$ 855
11.3 Conform Set and Bid Analysis		1				2		4	4	11	\$ 1,380
Task 12 Construction Support		12				15		15		42	\$ 2,195
12.1 Construction Support		10				10		10		30	\$ 10,815
12.2 Traffic Signal Timing and Coordination		2				5		5		12	\$ 8,000
TOTAL HOURS		40	13	2	4	63	17	80	46	271	\$ 2,815
Subtotal Labor:		\$15,800	\$4,550	\$630	\$1,020	\$14,490	\$3,400	\$14,000	\$7,360		\$ 62,120
Other Direct Costs											\$ 18,727
Travel/Mileage/Outside Printing/Courier Services											\$ 500
Whitson (Survey)											\$ 4,728
Exaro (Potholing)											\$ 12,044
Quality Counts (Traffic Counts)											\$ 1,455
TOTAL COST:											\$ 80,847



Hourly Labor Rate Schedule

Classification	Rate
Analyst I	\$130 - \$160
Analyst II	\$170 - \$200
Professional	\$195 - \$230
Senior Professional I	\$245 - \$315
Senior Professional II	\$340 - \$395
Senior Technical Support	\$115 - \$290
Technical Support	\$105 - \$165
Support Staff	\$85 - \$145

Effective through June 30, 2024. Subject to annual adjustment thereafter.

External Reimbursable Expenses will be charged at 10% mark-up, or per the Contract.

Sub-Consultants will be billed per the Contract.



City of Gilroy

STAFF REPORT

Agenda Item Title:	Consideration of a Ceasefire Resolution
Meeting Date:	February 26, 2024
From:	Jimmy Forbis, City Administrator
Department:	Administration
Submitted By:	Bryce Atkins, Assistant to the City Administrator
Prepared By:	Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Council discussion and direction.

BACKGROUND

At the February 5, 2024 regular City Council meeting, after receiving public comments, a Council-initiated agenda item was brought forth to consider the adoption of a ceasefire resolution regarding the Hamas – Israel conflict.

ANALYSIS

Staff has collected a few resolutions from other cities that have adopted resolutions regarding this matter. The resolutions vary in the claims made in the recitals and some variance in the nature of the peace/ceasefire request and terms of the called-for ceasefire. Staff is not making any recommendations regarding the Council-initiated discussion on a potential ceasefire resolution.

ALTERNATIVES

Council may issue direction to staff as it may deem appropriate.

FISCAL IMPACT/FUNDING SOURCE

None – this item carries no known fiscal impact.

PUBLIC OUTREACH

This agenda item was included on the publicly posted agenda for this meeting.

NEXT STEPS

Staff will implement direction received by the City Council.

Attachments:

1. Resolution of the City of Gilroy for Peace in the Middle East - submitted by Mayor Blankley
2. Cease Fire Resolution - submitted by Council Member Hilton
3. Sample Peace Resolution JCRC
4. Santa Cruz Peace Resolution
5. Hollister Resolution
6. Long Beach Resolution
7. Montebello Resolution
8. Oakland Resolution

Resolution of the City of Gilroy, California for Peace in the Middle East

Whereas, the City of Gilroy, CA acknowledges the suffering of the peoples of the Middle East and affirms our shared humanity; and

Whereas, the City of Gilroy, CA recognizes the history of conflicts in the Middle East and values peaceful conflict resolution; and

Whereas, the City of Gilroy, CA calls for collaborative efforts supporting peaceful dialogue among all parties involved; and

Whereas, the City of Gilroy, CA looks forward to a future where all can live with dignity and security in Peace around the world.

Now, therefore, I, Marie Blankley, Mayor of the City of Gilroy, on this 26th day of February 2024, along with my colleagues on the City Council, do hereby urge our community to develop and participate in activities that foster tolerance, empathy, education, understanding of people of all backgrounds and religious faiths, and promote peaceful conflict resolution among all parties.

A RESOLUTION CALLING FOR A PERMANENT CEASEFIRE IN ISRAEL AND PALESTINE

WHEREAS, Gilroy is dedicated to fostering a community that embraces diversity, values all life, and upholds the principles of equality and human rights; and

WHEREAS, incidents of anti-Semitic, anti-Arab, and anti-Muslim bigotry and violence are on the rise within our country, posing a significant threat to the well-being and safety of our diverse communities and all Americans; and acknowledges the suffering of Palestinians and Israelis, and affirms our shared humanity;

WHEREAS, we express profound sorrow and condemnation for the tragic loss of innocent Israeli lives in the horrific attack on October 7th; and

WHEREAS, we express profound sorrow and condemnation for the loss of innocent Palestinian lives from the horrific indiscriminate bombing upon the civilian population of Gaza.

WHEREAS, Gilroy supports the dignity and safety of all residents in any community in which all human life is precious and valued, and the targeting of civilians-no matter their faith or ethnicity, or country of origin- is abhorrent; and

WHEREAS, over two million Palestinian lives in Gaza, including Israeli hostages, are at imminent risk if a permanent cease-fire is not achieved and continuous humanitarian aid is not assured; and

WHEREAS, Gilroy strives for people in our community with disparate perspectives to unite in our advocacy for peaceful and respectful dialogue for the good of humanity.

NOW THEREFORE BE IT RESOLVED, that Gilroy calls for:

- 1) an immediate permanent ceasefire for sustainable peace to urgently end the current violence; and
- 2) the immediate release of all Israeli & Palestinian hostages; and
- 3) an immediate end to the blockade and siege of Gaza, with the prompt provision of humanitarian assistance to Gaza including supplying food, water, fuel, and medical supplies which are indispensable for the survival of the civilian population of Gaza; and
- 4) all parties to fully comply with their obligations under international law; and
- 5) affirms the American Academy of Pediatrics' following policy statement:

- Children should never be harmed because of the religious, cultural, and other beliefs and values of the child and/or their family;
- Harm to children should never be used as a tool or tactic of war or conflict;
- Children should be protected from the direct effects of armed conflicts and their food, housing, health, and other basic needs safeguarded.

**Resolution Calling for Peace and Supporting Communities
Impacted by the 2023 Israel-Hamas Conflict**

WHEREAS, on October 7, 2023, Hamas terrorists attacked villages and towns in southern Israel from Gaza, murdering at least 1,200 Israeli citizens and foreign nationals, and fired thousands of rockets at cities and towns across Israel; and

WHEREAS, the resulting war between Israel and Hamas has tragically claimed the lives of tens of thousands of Palestinians in Gaza and led to the displacement of over a million people; and

WHEREAS, the humanitarian situation in Gaza has deteriorated and there are ongoing international efforts to maintain humanitarian safe-zones and ensure civilians in Gaza have access to food, water, and other supplies; and

WHEREAS, Hamas kidnapped and is currently holding over 120 people hostage; and

WHEREAS, many members of the CITY community have family and friends directly impacted by the Israel-Hamas conflict; and

WHEREAS, as with any foreign affairs issues, the CITY community has a diversity of opinions regarding the Israel-Hamas War and the broader Israeli-Palestinian conflict; and

WHEREAS, many residents throughout CITY already live in heightened anxiety due to increasingly high levels of antisemitism and Islamophobia in California and the United States, which is being amplified by the conflict; and

THEREFORE, BE IT RESOLVED, CITY condemns the horrific attacks against Israeli civilians and mourns the loss of all innocent lives in Gaza and Israel; and

BE IT FURTHER RESOLVED, that the CITY calls for peaceful and just resolution to the Israel-Hamas War, provision of life-saving humanitarian aid in Gaza, the release of all hostages in Gaza, and the removal of Hamas from rule in Gaza; and

BE IT FURTHER RESOLVED, CITY affirms the right of self-determination for both Jews and Palestinians, and will support efforts to ensure both peoples can coexistence peacefully, living side by side; and

BE IT FURTHER RESOLVED, CITY is committed to ensuring the protection of all vulnerable religious and cultural centers, uplifting events that seek to bring diverse communities together, and rejecting inflammatory, threatening and violent language of all kind; and

BE IT FURTHER RESOLVED, CITY remains committed to calling out all forms of hate, preventing this conflict for sowing division in CITY, and encouraging residents to show compassion and understanding to support their neighbors who may be in great pain.

Resolution

City of Santa Cruz California Resolution for Peace in the Middle East

Whereas the City of Santa Cruz, CA acknowledges the suffering of the peoples of the Middle East and affirms our shared humanity.

Whereas the City of Santa Cruz, CA recognizes the history of conflicts in the Middle East.

Whereas the City of Santa Cruz, CA values peaceful conflict resolution.

Therefore, be it resolved that the City of Santa Cruz, California:

1. Acknowledges the suffering of the peoples of the Middle East.
2. Affirms our shared humanity and wish for peace.
3. Calls for collaborative efforts supporting peaceful dialogue among all parties involved.

4. Urges our community to develop and participate in activities that foster tolerance, empathy, education, and understanding of people of all backgrounds and religious faiths.
5. Looks forward to a future where all can live with dignity and security in PEACE.
6. Declares that (day/month) will be “City of Santa Cruz, California Peace Day” where all can have the opportunity to participate in activities and dialogue that promotes peace in the Middle East and around the world.

Please note:

Words we believe would be divisive:

Hamas
Hezbollah
Jews
Palestine/Palestinians
Gaza/Gazans
Israel/Israelis
Ceasefire
Genocide

RESOLUTION NO. 2023-240**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLLISTER AFFIRMING THE CITY OF HOLLISTER'S SUPPORT FOR AN IMMEDIATE CEASEFIRE IN GAZA AND ISRAEL**

WHEREAS, the City of Hollister recognizes the importance of peace and security for all communities and nations around the world regardless of national, ethnic or religious affiliations; and

WHEREAS, the City of Hollister advocates for the safety, dignity, freedom, and equality of all people, regardless of religion, race, or nationality; and

WHEREAS, the City of Hollister recognizes that all human life is precious; and

WHEREAS, since October 7, 2023, armed violence has claimed the lives of and wounded thousands of individuals in Gaza and Israel; and

WHEREAS, lives continue to be at imminent risk if a ceasefire is not achieved without delay; and

NOW, THEREFORE, BE IT RESOLVED that the City of Hollister joins other cities in calling on our Congress Members to demand an immediate ceasefire to urgently end the current violence in Gaza and Israel.

NOW BE IT FURTHER RESOLVED that a copy of this resolution be sent to the offices of Assemblymember Robert Rivas, State Senator Anna Caballero, Governor of California Gavin Newsom, U.S. Congressional Representative Zoe Lofgren, U.S. Senator Laphonza Butler, U.S. Senator Alex Padilla, and U.S. President Joe Biden, urging them to take immediate action to use their position and influence to end violence.

PASSED AND ADOPTED, by the City Council of the City of Hollister at a regular meeting held this 4th day of December 2023, by the following vote:

AYES: Councilmembers Resendiz, Morales, Burns, and Mayor Casey

NOES: None

ABSTAINED: None

ABSENT: Councilmember Perez

Mia Casey, Mayor

ATTEST:

APPROVED AS TO FORM:
 Lozano Smith Attorneys at Law

Jennifer Woodworth, MMC, City Clerk

Mary F. Lerner, City Attorney

I, Jennifer Woodworth, MMC, City Clerk of the City of Hollister, do hereby certify that the attached Resolution No. 2023-240 is an original resolution, or true and correct copy of a City resolution, duly adopted by the Council of the City of Hollister at a regular meeting held on this 4th day of December 2023, at which meeting a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Hollister this 4th day of December 2023.

Jennifer Woodworth, MMC
 City Clerk of the City of Hollister

A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH
SUPPORTING A PEACEFUL RESOLUTION TO THE ONGOING CONFLICT AND
HUMANITARIAN CRISIS IMPACTING GAZA AND ISRAEL.

WHEREAS, the City of Long Beach has a longstanding commitment to advocating for peace, social justice, equity, safety, and fostering mutual respect and understanding for all people, regardless of religion, race, or nationality; and

WHEREAS, since October 8th, 2023, the day following the attacks by Hamas militants on Israel, Long Beach's city leadership has publicly acknowledged the ongoing violence and humanitarian crisis impacting Gaza and Israel; and

WHEREAS, on November 14th, 2023, the City of Long Beach issued a statement affirming the City's values of unity, respect, and understanding in light of the significant loss of Palestinian and Israeli lives, and condemning the increasing reports of Anti-Semitic, Islamophobic, Anti-Jewish, and Anti-Arab incidents that have occurred since October 7th; and

WHEREAS, following news of a temporary ceasefire and the release of civilian hostages, Mayor Richardson issued a statement on November 28th, 2023, reiterating calls for a permanent ceasefire, the safe return of all hostages, and lasting peace in the region; and

WHEREAS, the Long Beach City Council has previously adopted statements and resolutions on statewide, national, and international affairs deemed important to the diverse residents and constituencies that the Council represents; and

WHEREAS, a growing number of cities throughout California and across the country have approved or are actively considering statements calling for peace, a lasting ceasefire and the safe return of all hostages, including Stanton, Oakland, San Francisco, Sacramento, Santa Ana, Seattle, Detroit, Providence, and Atlanta, among others; and

WHEREAS, international organizations including the United Nations General Assembly, the World Health Organization, the U.S. Agency for International Development, and the International Rescue Committee have made calls for a ceasefire and the return of

remaining hostages to prevent the further loss of civilian lives, and to be in accordance with international humanitarian law.

NOW, THEREFORE, the City Council of the City of Long Beach proclaims as follows:

Section 1. The City of Long Beach stands firmly on the foundation of peace, unity, respect, and understanding. The City Council recognizes that Palestinian lives and Israeli lives have the same value, and that all human life is precious. The City Council acknowledges the current humanitarian crisis in Gaza, and has condemned the attacks on Israel. Palestinian people deserve self-determination. Israel has a right to defend itself. Palestinians and Israelis equally deserve dignity, security, and to live without harm.

Section 2. The City Council calls on our federal leaders to support negotiations that lead to a lasting humanitarian ceasefire in Israel and Gaza, the release of all hostages, the safe passage of food, water, medical supplies, and other life-saving humanitarian aid into Gaza, and a peaceful resolution that achieves both an end to the attacks on Israel by Hamas, and the protection of civilian life in Gaza and Israel.

Section 3. The City Council requests city staff to identify and promote community education resources and services to support Long Beach residents and community members affected by the ongoing conflict, including counseling and mental health services, and support groups led by cultural and religious organizations.

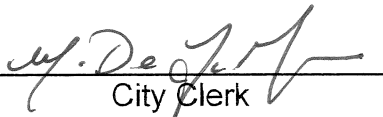
Section 4. The City Council unequivocally condemns all forms of violence, intolerance, racism, and xenophobia, including the recent rise of Anti-Semitic, Islamophobic, Anti-Jewish, and Anti-Arab sentiments, rhetoric, and attacks in our region and across the nation.

Section 5. The City Council requests that a copy of this proclamation be transmitted to Long Beach's delegation of federal representatives.

Section 6. This proclamation shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this proclamation.

I hereby certify that the foregoing proclamation was adopted by the City Council of the City of Long Beach at its meeting of _____ December 19 _____, 2023, by the following vote:

Ayes:	Councilmembers:	Kerr, Saro, Uranga, Austin,
		Ricks-Oddie.
Noes:	Councilmembers:	Duggan, Supernaw.
Absent:	Councilmembers:	Zendejas, Allen.
Recusal(s):	Councilmembers:	None.


City Clerk

ATTACHMENT A**RESOLUTION NO. 24-06****A RESOLUTION OF THE CITY COUNCIL OF MONTEBELLO,
CALIFORNIA AFFIRMING SUPPORT FOR THE CONGRESSIONAL AND
WORLDWIDE CALLS FOR AN IMMEDIATE CEASEFIRE IN GAZA****RECITALS**

WHEREAS, the City of Montebello believes that all people regardless of race, color, national origin, sex, and religion should be able to live in dignity, freedom, and equality without fear of destruction; and

WHEREAS, the City of Montebello condemns the recent rise of Antisemitic, Islamophobic, racist, homophobic, and xenophobic attacks in our State and Region and across the nation; and

WHEREAS, the current assault on Gaza, in response to Hamas's attack on October 7, 2023 that killed 1,200 people and seized 253 people, has resulted in over 24,000 Palestinians killed by the State of Israel; and

WHEREAS, the City of Montebello recognizes that the current crisis takes place within a long history and affirms the root causes of the crisis needs to be addressed for a pathway to lasting peace and justice to be developed; and

WHEREAS, the Federal Government holds immense diplomatic power to save Israeli and Palestinian lives:

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO
HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:**

SECTION 1. The City of Montebello will identify and support local programs that combat Antisemitism, Islamophobia, racism, homophobic and xenophobic attacks; and

SECTION 2. The City of Montebello supports U.S. Congress Resolution H.R. 786 and joins other cities in calling on our congress members to demand: a permanent ceasefire; the release of all hostages and prisoners; the unrestricted entry of humanitarian assistance into Gaza; the restoration of food, water, electricity, and medical supplies to Gaza; the respect for international law; and

SECTION 3. That a copy of this Resolution be sent to the offices of Assemblymember Miguel Santiago, Senator Bob Archuleta, Governor Gavin Newson, U.S. Representative Linda Sanchez, U.S. Senator Laphonza Butler, U.S. Senator Alex Padilla, Secretary of State Antony Blinken, Secretary of Defense Lloyd Austin, and U.S. President Joe Biden urging them to take immediate action to use their position and influence to end violence.

RESOLUTION NO. 24-06

Page 2 of 2

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this resolution.

APPROVED AND ADOPTED THIS 24TH DAY OF JANUARY 2024.

Scarlet Peralta, Mayor

ATTEST:**APPROVED AS TO FORM:**

Christopher Jimenez, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF MONTEBELLO) SS:

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 2024-XX was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 24th day of January 2024 and that said Resolution was adopted by the following vote, to-wit:

AYES:**NOES:****ABSTAIN:****ABSENT:**

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

Christopher Jimenez, City Clerk

APPROVED AS TO FORM AND LEGALITY



CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER CARROLL FIFE

RESOLUTION AFFIRMING OAKLAND'S LOVE LIFE COMMITMENT AND SUPPORT FOR THE CONGRESSIONAL AND WORLDWIDE CALLS FOR AN IMMEDIATE CEASEFIRE IN GAZA

WHEREAS, all life is precious and the City of Oakland's official motto "Love Life" calls on elected officials and residents alike to protect life and stand united against violence; and

WHEREAS, the City of Oakland condemns the recent rise of Antisemitic, Islamophobic, racist, homophobic, and xenophobic attacks in our city and across the nation, including the doxxing of elected officials, students, professors, journalists, and others speaking truth to power; and

WHEREAS, the City of Oakland advocates for the safety, dignity, freedom, and equality of all people, regardless of religion, race, or nationality; and

WHEREAS, over one thousand people in Israel and more than eleven thousand Palestinians in Gaza have been killed in a matter of weeks, of whom over five thousand are children; and

WHEREAS, the City of Oakland recognizes that the current crisis takes place within a long history and affirms that, for a pathway to lasting peace and justice to be developed, the root causes of the crisis need to be addressed; and

WHEREAS, Gaza is in a dire humanitarian crisis that is getting worse with each passing day, with the only remaining hospitals running out of fuel and medical supplies, and over 1.5 million Palestinians facing displacement, homelessness, and starvation; and

WHEREAS, international organizations like Amnesty International, the United Nations, the World Health Organization, the US Agency for International Development (USAID), the International Rescue Committee, and many others have made a call for a ceasefire in order to prevent the further loss of life of civilians and to be in accordance with international humanitarian law; and

WHEREAS, sixty six percent of American voters support a ceasefire, according to an October 20th, 2023 Data For Progress poll¹, and want to see the U.S. leverage its diplomatic relationships “to prevent further violence and civilian deaths”; now, therefore, be it

RESOLVED that the City of Oakland supports U.S. Congress Resolution H.R.786 and joins other cities in calling on our Congress Members to demand: an immediate ceasefire; release of all hostages, the unrestricted entry of humanitarian assistance into Gaza; the restoration of food, water, electricity, and medical supplies to Gaza; and the respect for international law; and calls for a resolution that protects the security of all innocent civilians; and be it

FURTHER RESOLVED that a copy of this resolution be sent to city councils in the San Francisco Bay Area, the offices of Assemblymember Mia Bonta, Assemblymember Buffy Wicks, State Senator Nancy Skinner, Governor of California Gavin Newsom, U.S. Representative Barbara Lee, U.S. Senator Laphonza Butler, U.S. Senator Alex Padilla, U.S. President Joe Biden, and U.S. Vice President Kamala Harris, urging them to take immediate action to use their position and influence to end violence.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED

City Clerk and Clerk of the Council of the
City of Oakland, California

¹ Data for Progress. “Voters Agree the U.S. Should Call For A Ceasefire and De-escalation of Violence in Gaza to Prevent Civilian Deaths” <https://www.dataforprogress.org/blog/2023/10/19/voters-agree-the-us-should-call-for-a-ceasefire-and-de-escalation-of-violence-in-gaza> Oct 20, 2023

Beth Minor

From: Jeff Berta <jeff.bertha@yahoo.com>
Sent: Thursday, February 22, 2024 11:32 AM
To: Public Comments; All Council Members
Subject: EXTERNAL - YES on item 11.1 permanent ceasefire

CAUTION: This email originated from an External Source. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Hello Mayor and Gilroy City Council Members,

My name is Jeffrey Francis Berta and I'm a Gilroy Community Member. I'm emailing you to ask for your support to approve a resolution calling for a permanent ceasefire in Gaza.

The continued violence inside Gaza is having a devastating impact on Palestinians and hostages. The longer the indiscriminate killing continue, the more hatred is advanced.

Some say a ceasefire in Gaza and passing a resolution will cause division within this community. I don't believe that. What causes division is killing, murdering of innocent civilians, intentional starvation and collective punishment—exactly what is occurring in Gaza now. Standing for peace and life should never divide. Some say it's not up to cities to pass proclamations on world affairs. However, the Gilroy City Council itself voted unanimously in support of the Ukrainian Proclamation only a couple years ago. We all inhabit this planet and it is all of our responsibilities to speak up against injustice whenever and wherever it occurs. The violence occurring in Gaza has a direct impact to our Gilroy community.

Our government should not be taking American tax payer dollars and handing it to the Israeli government knowing that the money will lead to more death and destruction. Our country has so many pressing issues where this money could directly benefit our own civilians here at home. Please approve item 11.1 and call for a permanent ceasefire in Gaza. Thank you for your consideration and time.

Sincerely,

Jeffrey Berta

Beth Minor

From: Nana B. <nahedkbarakat@gmail.com>
Sent: Wednesday, February 21, 2024 10:19 AM
To: All Council Members
Subject: EXTERNAL - Please Vote for Ceasefire!

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Dear Council members,

Please vote for Ceasefire so we can show our community that we are a peace advocate. We want to instill love and peace in the community, not hate and division of which side we're taking. This debate has been going on since October 7 and the majority of us live in fear that this war will exacerbate more hatred and confusion. Let's call for Ceasefire so we can end all suffering and misery and return to our normal lives.

-Thanks,

From: [Council Member Zachary Hilton](#)
To: [Public Comments](#)
Cc: [City Clerk](#)
Subject: Public Comment (February 26) Item #11.1 Resolution Calling For A Permanent Ceasefire in Israel and Palestine
Date: Tuesday, February 20, 2024 11:10:55 AM
Attachments: [Future Council Initiated Agenda Item Ceasefire Resolution.pdf](#)

City Clerk,

Attached is my public comment for (February 26) Item #11.1 Resolution Calling For A Permanent Ceasefire in Israel and Palestine.

Thank you.

Zach Hilton
Gilroy City Council Member
www.zachhilton.com
#HiltonForCouncil @zachhilton_ca

Contact: Zach Hilton
Zachary.Hilton@cityofgilroy.org
 669-270-6232

February 6, 2024

Future Council Initiated Agenda Items- Below is the proposed language that is being submitted for this resolution brought forward by the community to Gilroy City Council through open public comment received during the [February 5th Regular Meeting](#).

Resolution Calling For A Permanent Ceasefire in Israel and Palestine (Community Version)

WHEREAS, Gilroy is dedicated to fostering a community that embraces diversity, values all life, and upholds the principles of equality and human rights; and

WHEREAS, incidents of anti-Semitic, anti-Arab, and anti-Muslim bigotry and violence are on the rise within our country, posing a significant threat to the well-being and safety of our diverse communities and all Americans; and acknowledges the suffering of Palestinians and Israelis, and affirms our shared humanity;

WHEREAS, we express profound sorrow and condemnation for the tragic loss of innocent Israeli lives in the horrific attack on October 7th; and

WHEREAS, we express profound sorrow and condemnation for the loss of innocent Palestinian lives from the horrific indiscriminate bombing upon the civilian population of Gaza.

WHEREAS, Gilroy supports the dignity and safety of all residents in any community in which all human life is precious and valued, and the targeting of civilians-no matter their faith or ethnicity, or country of origin- is abhorrent; and

WHEREAS, over two million Palestinian lives in Gaza, including Israeli hostages, are at imminent risk if a permanent cease-fire is not achieved and continuous humanitarian aid is not assured; and

WHEREAS, Gilroy strives for people in our community with disparate perspectives to unite in our advocacy for peaceful and respectful dialogue for the good of humanity.

NOW THEREFORE BE IT RESOLVED, that Gilroy calls for:

- 1) an immediate permanent ceasefire for sustainable peace to urgently end the current violence; and
- 2) the immediate release of all Israeli & Palestinian hostages; and
- 3) an immediate end to the blockade and siege of Gaza, with the prompt provision of humanitarian assistance to Gaza including supplying food, water, fuel, and medical supplies which are indispensable for the survival of the civilian population of Gaza; and
- 4) all parties to fully comply with their obligations under international law; and
- 5) affirms the American Academy of Pediatrics' following policy statement:
 - Children should never be harmed because of the religious, cultural, and other beliefs and values of the child and/or their family;
 - Harm to children should never be used as a tool or tactic of war or conflict;
 - Children should be protected from the direct effects of armed conflicts and their food, housing, health, and other basic needs safeguarded.

Beth Minor

From: Nadia Jafri <njafri7865@gmail.com>
Sent: Tuesday, February 20, 2024 2:42 PM
To: All Council Members
Subject: EXTERNAL - vote for CEASEFIRE in GAZA

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Hello,

My name is Nadia Jafri and I am a constituent. I am requesting you to please vote YES for a Ceasefire in Gaza resolution.

After the US's most recent veto of the Security Council Ceasefire Resolution today, I am so ashamed of what our great country has become.

For a few weeks after the Oct 7 attacks, I was in complete sympathy for the Israeli victims and my unequivocal support was with them and their country.

But since then I have seen a right wing, extremist government's campaign of slaughter, starvation, terror.... and quite frankly, a GENOCIDE that I can no longer ignore.

Our government's complicity in this horror is undeniable. So I beseech you, recognizing that the city council's passing a ceasefire resolution will not affect anything that is going on in Gaza today, please please please show that world that the fine citizenry of Gilroy sees beyond party lines, and supports innocent civilians right to live a life free of terror that has lasted over 135 days.

May God bless us all and may He forgive us our sins.

Thank you.

Beth Minor

From: Alice Robinson <alicekrobinson37@gmail.com>
Sent: Thursday, February 22, 2024 9:27 AM
To: Public Comments; All Council Members
Subject: EXTERNAL - Approve Item #11.1 Resolution Calling For A Permanent Ceasefire in Israel and Palestine
Public Comment (February 26)

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Hello Gilroy City Councilmembers,

I am a Jewish-American Bay Area resident, and I am writing to support Item 11.1, the Resolution Calling For A Permanent Ceasefire in Israel and Palestine (*Community Version*). I believe that at a time of turmoil and division, this resolution will help to unite the community around the most important value we all share: our deep respect for the value of human life. The resolution will also send a message to the citizens of Gilroy that the city stands against hate of all kinds, including Islamophobia and antisemitism.

Ceasefire resolutions elsewhere in the Bay Area and around the country have united broad coalitions of individuals of different faiths, ethnicities, and countries of origin. I have seen this myself in my own city, where I am joined by other Jewish-Americans, as well as people of conscience of all faiths and no faith, in efforts to bring about a ceasefire resolution.

I am horrified every day by the loss of life and human suffering Israel is inflicting upon the civilian population of Gaza. Like so many Americans, I am feeling unheard by our political leaders who continue to send my hard-earned tax dollars to Israel in the form of military aid. Passing a ceasefire resolution at the city level allows everyday Americans who value human life everywhere in the world and want to build inclusive communities here at home to feel that their voices matter.

Please, pass the Resolution Calling For A Permanent Ceasefire in Israel and Palestine (*Community Version*) to show the United States and the world that the people of the Bay Area respect the value of human life for all people.

Sincerely,
Alice Robinson
Redwood City

Beth Minor

From: doug Gary <doug_gary@hotmail.com>
Sent: Wednesday, February 21, 2024 9:09 PM
To: All Council Members
Subject: EXTERNAL - Feb. 26 Item 11.1 Resolution of Ceasefire, etc.

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Please vote FOR item 11.1 (Feb. 26) Resolution calling for a permanent ceasefire in Israel and Palestine.

It is important for all of us to express our humanity by doing every thing we can to stop this slaughter and immense suffering of innocent people.

Beth Minor

From: Nuzialavi <nuzialavi@yahoo.com>
Sent: Thursday, February 22, 2024 2:05 AM
To: All Council Members
Subject: EXTERNAL - Ceasefire approval item #11.1

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Hello Gilroy city council members

I am writing to express my deep concern of the devastating humanitarian crisis that is unfolding in Gaza, how it is profoundly impacting our Gilroy and south county community, and urging you to pass the ceasefire resolution to take a stand for peace and humanity.

Ceasefire will save lives in thousands, not just by bombs, but with food availability for the besieged people of Gaza. South county has many different ethnicities, most of whom support a ceasefire. Many have lost family members in the bombing of Gaza.

With a ceasefire, there will be end to the hostilities, which will help communities here curtail Islamophobia, antisemitism, divisiveness and hate

The city council represents the local community, and thus it is responsible to support it's concerns. A resolution for a ceasefire will demonstrate your true representation of the community

During the previous city council meeting on February 5, Gilroy residents shared how our local Gilroy community is being impacted by the continued violence in Gaza. .

This ceasefire resolution is a unifying act to bring our community together as one. Gilroy previously passed proclamations and resolutions supporting Ukraine and standing against hate, and they did not lead to increased hate or division, they united the Gilroy community to support each other.

Diverse communities across the Bay Area, including Hollister, Santa Clara, Richmond, and Oakland have come together to pass resolutions in support of peace and the protecting of all lives in Gaza. These are communities with families, students, and concerned citizens who have experienced personal losses in Palestine, just as here in Gilroy.

The call for a ceasefire is deeply local and relevant to us as community members who advocate for justice and equality, and I believe that the Gilroy city council needs to promote and champion the values of the people they serve and represent.

I urge the city of Gilroy to stand united alongside a majority of Americans in calling for a permanent ceasefire in Gaza, to advocate for sustainable peace in Palestine and Israel, for an immediate end to the killings of all innocent civilians and the release of all Palestinian and Israeli hostages.

UNICEF says 1,000 Palestinian children have had limbs amputated *without anesthesia* due to the lack of basic medical resources. On average, more than 10 children per day have lost one or both of their legs in Gaza in the past 4 month time period (UN). According to the UN, women and children are the main victims in Gaza, with 2 mothers losing their lives every hour. There are currently over 66,000 children orphaned in the past 4 months in Gaza. 85% of the 2.2M population in Gaza has been made homeless, 1,870,000 people who are living in frigid temperatures with no shelter, no food, no water and no electricity (World Health Organization & UN). 90% of civilians in Gaza have regularly gone a full day without food and are facing death by disease, injury, and starvation, that's 1,980,000 people

Nuzi Alavi
Sent from my iPad

Sent from my iPad

Beth Minor

From: Emma Hartung <emmahartung@gmail.com>
Sent: Wednesday, February 21, 2024 5:53 PM
To: Public Comments; All Council Members
Subject: EXTERNAL - Approve Item #11.1 Resolution Calling For A Permanent Ceasefire in Israel and Palestine
Public Comment (February 26)

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Dear Gilroy City Councilmembers,

I'm writing as a local Jewish resident urging you to support Item 11.1, the Resolution Calling For A Permanent Ceasefire in Israel and Palestine (*Community Version*).

I see it as my duty as a Jewish American and as an educator (formerly middle school, now college) to stand up against genocide. I've spent the past five years working with undergraduates at Stanford, and like so many other community members across the county, our students are not okay and will not be okay until a permanent ceasefire is established. We have teenage students desperately fundraising to get their entire families out of Gaza. We have students facing terrifying Islamophobic and anti-Palestinian anti-Arab anti-Muslim threats: I had one Palestinian student tell me that they've switched from wearing hijab to wearing hoodies as a hair covering because they're afraid of being targeted and attacked. We have an Arab student deliberately targeted in a hate crime by a hit and run driver who is still recovering from his injuries. We had a truck parked on campus with a sign in Arabic-only saying "we will shoot you if you approach." These students all have the support of their peers including Jewish students, but they cannot be students right now – they need an immediate and permanent ceasefire to both save their family members' lives and de-escalate this Islamophobic rhetoric we're seeing on the news and social media.

I have heard too many stories through friends and colleagues of bullying and harassment among younger students as well. For example, at Christopher High School just a few weeks ago, students and residents are experiencing a rise in targeted antisemitism and Islamophobia hate. Gilroy children and community are looking to our council members to show true leadership and "Stand United Against Hate". What occurs internationally *has a direct impact here*.

A ceasefire resolution would demonstrate that our Gilroy city leaders recognize the horrific atrocities occurring in Gaza, the extensive killing of innocent civilians, and the heartbreaking impact on local families. It sends a clear message to all children and families in Gilroy that their leaders advocate for peace and against the killings of any innocent civilians rather than remaining silent while mass killings continue to occur.

Please show the leadership we need by passing a ceasefire resolution to *advocate* for sustainable peace and an immediate end to the killings of all innocent civilians and the release of all Palestinian and Israeli hostages. Please immediately pass the Resolution Calling For A Permanent Ceasefire in Israel and Palestine (*Community Version*).

Sincerely,
Emma Hartung

Beth Minor

From: Raeena Lari <raeena.lari@gmail.com>
Sent: Thursday, February 22, 2024 11:29 AM
To: Public Comments; All Council Members
Subject: EXTERNAL - Support item#11.1 Resolution calling for a Permanent Ceasefire (February 26)
Attachments: 01292024_RESOLUTION_Recognizing Sustained Peace and Safety for All Children.pdf;
Attachment-244201.pdf

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Dear Council Members,

I am writing to you in my personal capacity. As a trustee of the area, Gilroy is very close to my heart.

I would like to urge the Gilroy City Council to urgently pass a ceasefire resolution to end the humanitarian crisis in Gaza which is disproportionately impacting women and children. We need a ceasefire to stop the tragic loss of life and to release hostages on both sides.

Gilroy needs to be on the right side of history and add our voice to the following:

- Santa Clara County Democratic Central Committee Resolution <https://sccdp.org/wp-content/uploads/2024/01/A-Call-for-Immediate-Cease-fire-in-Gaza-and-Provision-of-Humanitarian-Aid.pdf>
- Resolution passed by Santa Clara County Board of Education (attached)
- Human Rights Commission Santa Clara County Statement on the War on Gaza (attached)
- Statement by Congressman Ro Khanna <https://x.com/reprokhanna/status/1728792989978288434?s=42&t=dTAhxKRjaryXG3OZprnQTQ>
- Statement by Congresswoman Zoe Lofgren <https://lofgren.house.gov/media/press-releases/rep-lofgren-urges-israel-hamas-all-involved-parties-continue-pursuing-terms>
- Statement by Senator Dave Cortese:
 - **"A Message of Peace and Humanity**
"In the face of ongoing and unspeakable violence, let us please acknowledge the profound loss of lives, and recognize the humanity of both the Palestinian and Israeli people.
The United States must reassert its leadership role as a negotiator in the pursuit of a lasting peace. This means addressing the root causes of this violence and working to bring about an end to this prolonged period of tragedies in which innocent people and children are bearing the brunt of the suffering.
I join many other elected leaders, locally and globally, as well as countries, organizations, and voices for peace in calling for an urgent and immediate ceasefire.
I believe that this is an attainable reality"
Dave Cortese
California State Senator, District 15"

Looking forward to your support in this movement to make our world safer for all our children,
Warmly,
Raeena



RESOLUTION RECOGNIZING SUSTAINED PEACE AND SAFETY FOR ALL CHILDREN

SANTA CLARA COUNTY BOARD OF EDUCATION

RESOLUTION No. 2432-1

WHEREAS, the Santa Clara County Board of Education (SCCBOE) is committed to promoting inclusive and just conditions where all our students, staff members, and families feel a sense of belonging; and

WHEREAS, the SCCBOE acknowledges the suffering of the peoples of the Middle East, including Palestinian and Israeli children, and affirms our shared humanity; and

WHEREAS, the SCCBOE previously adopted resolutions "Denouncing Anti-Semitism" and "Denouncing Islamophobia" and reaffirms our denunciation of Anti-Semitism and Islamophobia; and

WHEREAS, we cherish our cultural richness and strive to ensure all communities feel respected and heard, including our Jewish, Muslim, Christian, Israeli-American, Arab-American, Palestinian-American, and other Middle Eastern-American communities; and

WHEREAS, the SCCBOE recognizes the history of conflicts in the Middle East; and

WHEREAS, the SCCBOE values peaceful conflict resolutions in the world and in our schools and classrooms; now

THEREFORE, BE IT RESOLVED, that the SCCBOE strives to lead by example in demonstrating to students how people with disparate perspectives can support students' emotional and mental health needs by uniting in our advocacy for peaceful and respectful dialogue and resolution among all parties involved in the Middle East; and

BE IT FURTHER RESOLVED, that the SCCBOE urges our community to develop and participate in activities that foster respect, empathy, education, and understanding of people of all backgrounds and religious faiths; and

BE IT FURTHER RESOLVED, that the SCCBOE looks forward to a future where all can live with dignity and security in peace; and

BE IT FURTHER RESOLVED, that the SCCBOE believes together as concerned leaders we must foster hate-free communities, classrooms, and schools in which hate speech, bullying, and violence are addressed; and

BE IT FURTHER RESOLVED that the SCCBOE calls for a ceasefire for sustainable peace and the release of all hostages in the Middle East, including Palestine and Israel, which demonstrates to Santa Clara County students that leaders can advocate for peaceful conflict resolution for the good of humanity and for the sake of children; and

BE IT FURTHER RESOLVED that the SCCBOE affirms the American Academy of Pediatrics' following policy statement:

- Children should never be harmed because of the religious, cultural, and other beliefs and values of the child and/or their family;
- Harm to children should never be used as a tool or tactic of war or conflict;
- Children should be protected from the direct effects of armed conflicts and their food, housing, health, and other basic needs safeguarded; and

BE IT FURTHER RESOLVED that the Santa Clara County Board of Education strives to ensure each and every Santa Clara County student feels safe and valued, and that hate speech, Islamophobia, Anti-Semitism, Anti-Palestinian racism, and Anti-Israeli racism must be condemned and eliminated in all learning environments.

PASSED AND ADOPTED by the County Board of Education at a meeting held on January 29, 2024, by the following vote:

AYES: President Berta and Trustees Chon, Di Salvo, Lari, and Mah

NOES: none

ABSTAIN: Vice President Rocha and Trustee Sreekrishnan

ABSENT: none



Maimona Afzal Berta, President
Santa Clara County Board of Education



City of Gilroy

STAFF REPORT

Agenda Item Title: **Consent of the Appointment of Beth Minor as Interim City Clerk (Retired Annuitant) Effective February 27, 2024, and Adoption of a Resolution of the City Council of the City of Gilroy Approving the Appointment and Employment Agreement**

Meeting Date: February 26, 2024

From: Jimmy Forbis, City Administrator

Department: Administrative Services

Submitted By: LeeAnn McPhillips, Administrative Services and Human Resources Director / Risk Manager

Prepared By: LeeAnn McPhillips, Administrative Services and Human Resources Director / Risk Manager

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

- a. Consent the City Administrator's recommendation to appoint Beth Minor as Interim City Clerk (as a retired annuitant) effective February 27, 2024.
- b. Adopt a Resolution of the City Council of the City of Gilroy approving the appointment of Beth Minor as Interim City Clerk (Retired Annuitant) pursuant to California Government Code Section 21221(h) and authorizing the City Administrator to execute the employment agreement.

EXECUTIVE SUMMARY

To ensure continuity in the coordination of the City Clerk's Office, it is recommended that the City Council consent the appointment of Beth Minor as Interim City Clerk (retired annuitant) effective February 27, 2024, and approve the resolution consenting the appointment and authorizing the City Administrator to execute the employment agreement.

BACKGROUND

Due to a recent resignation the City of Gilroy has a vacancy in the position of City Clerk. The City plans to commence a recruitment for City Clerk right away (prior to February 27, 2024) and hire an Interim City Clerk to serve in this position while the recruitment is being conducted. Former Palo Alto City Clerk Beth Minor is available to serve as the Interim City Clerk. Ms. Minor is a California Public Employees' Retirement System (CalPERS) retired annuitant having retired in 2021. She has the education, skills, and experience to hit the ground running and serve as Gilroy's Interim City Clerk beginning February 27, 2024. In fact, Ms. Minor has been hired as a temporary, extra-help employee until this interim appointment could be placed on the Council agenda.

Ms. Minor has over twenty-eight years of related municipal work experience. She served in the City of Palo Alto City Clerk's Office for fourteen years with six of those years as City Clerk and eight years as Assistant City Clerk. Given her work in Palo Alto, Ms. Minor is well versed with the Santa Clara County Registrar of Voters and election processes. In addition, she has experience with Fair Political Practices Commission (FPPC) and the required filings as well as the requirements of the Public Records Act. She is well-versed in open meeting laws, preparing agenda packets, taking minutes, maintaining records, and all of the important functions of a full-service City Clerk's Office.

California Government Code Section 21221(h) allows an agency to hire a retired annuitant to serve in an "interim" position when there is an immediate need for expertise and specialized skills and a recruitment is underway for the position. As noted above, prior to February 27, 2024, the city will initiate a recruitment for a new City Clerk and complete the selection process in the next three to four months. Further, the retired annuitant may not work more than 960 hours in a fiscal year and cannot receive any compensation other than the hourly rate of pay for the work performed by other employees performing comparable duties.

In the Interim City Clerk role, Ms. Minor agrees to perform the following duties related to the Gilroy City Clerk's Office:

- a. Develop and direct the implementation of goals, objectives, policies, procedures, and work standards for the City Clerk's Office.
- b. Prepare and complete public noticing of hearings and meetings.
- c. Prepare and direct the distribution of Council agenda materials.
- d. Follow-up after Council meetings to ensure that appropriate actions are taken, questions answered, and individuals notified.
- e. Develop and/or maintain a Citywide, computer-based records management system.
- f. Answer questions regarding City activities, policies, and regulations.
- g. Distribute and process election documents.
- h. Coordinate the formation of assessment districts.

- i. Prepare and monitor the budget for the City Clerk's office.
- j. Coordinate official filing for Fair Political Practices Commission documents.
- k. Evaluate and assign work to assigned clerical and/or support personnel and provide for their training and professional development.
- l. Be responsible for the morale and productivity of the City Clerk's office.
- m. Interpret City and Department policies and procedures to assigned employees.
- n. Provide varied staff assistance to the City Administrator, including providing agenda support for agenda review and other similar meetings, ensuring for agenda production consistent with direction received, attending assigned meetings, proactively communicating matters related to the City Clerk's office, obtaining information from various departments and conducting studies and projects related to any City function as directed.
- o. Coordinate City Clerk activities with those of other City departments to ensure completion of the work.
- p. Maintain records of Campaign Statements distribute and file same on all elected officials as required by law.
- q. Provide staff support directly, or through delegation to City Clerk's Office staff, to the Mayor and City Council as requested. Support work includes items such as opening and evaluating mail, scheduling meetings, organizing files, preparing correspondence, gathering information, ordering supplies, coordinating training and/or conference registration, etc.
- r. Ensure that the City Council, City Clerk, and Boards & Commissions aspects of the City website are current.
- s. Comply with the Open Government Ordinance.
- t. Serve as Staff Liaison to Open Government Commission. Prepare agendas and minutes and attend quarterly meetings.
- u. Coordinate and/or respond to Public Records Act requests for records and information.
- v. Maintain Public Records Act log and ensure compliance as required by Public Records Act.
- w. Administer procedure for recruitment of City Council appointed Boards, Commissions, and Committees and maintain Local Appointments List as required by the Maddy Act.
- x. Any other duties or assignments typically assigned to the City Clerk.

As Interim City Clerk, Ms. Minor will report directly to the City Administrator for day-to-day work and shall comply with all City rules, policies, guidelines, regulations, and laws. For specific work items noted in the City Charter (elections), Ms. Minor will report to the City Council.

Ms. Minor will be paid \$69.11 per hour with no other benefits or incentives.

ALTERNATIVES

The alternatives would be not to approve the interim appointment and the city would need to identify someone else to serve as the Interim City Clerk or leave the position vacant. These alternatives are not recommended.

FISCAL IMPACT/FUNDING SOURCE

This interim appointment provides a cost savings to the city as only the hourly rate for the position is paid to the retired annuitant and not any benefits. It is estimated that this interim appointment will save the city approximately \$6,000 per month when filled on a full-time basis. Over a four-month period, the savings will total approximately \$26,000.

NEXT STEPS

Upon Council approval, the City Administrator will sign the employment agreement. In addition, staff will initiate work to begin the City Clerk recruitment process prior to February 27, 2024.

Attachments:

1. City Council Resolution Appointing Beth Minor as Interim City Clerk February 2024
2. Exhibit A Employment Agreement Beth Minor Retired Annuitant February 2024

RESOLUTION NO. 2024-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF GILROY APPOINTING BETH MINOR AS INTERIM
CITY CLERK AND APPROVING EMPLOYMENT
AGREEMENT**

WHEREAS, Government Code Section 21221(h) permits the City Council to appoint a retired annuitant to a vacant position requiring specialized skills during recruitment for a permanent appointment, and provides that such appointment will not subject the retired person to reinstatement from retirement or loss of benefits so long as it is a single appointment that does not exceed 960 hours in a fiscal year; and

WHEREAS, Beth Minor retired from California Public Employees' Retirement System employment in July 2021; and

WHEREAS, Beth Minor has over fourteen years of municipal City Clerk's Office experience and most recently served as the City of Palo Alto City Clerk for six years; and

WHEREAS, the position of City Clerk became officially vacant on February 16, 2024, following the resignation of Thai Pham; and

WHEREAS, the Gilroy City Council desires to consent the City Administrator's recommendation to appoint retired annuitant Beth Minor to the vacant position of Interim City Clerk for the City of Gilroy under Government Code Section 21221(h), effective February 27, 2024; and

WHEREAS, Beth Minor has experience leading a full-service City Clerk's Office to include experience with elections, open meeting requirements, Fair Political Practices Commission regulations, Public Records Act requirements, meeting agendas and minutes preparation, and most all functions found within a municipal City Clerk's Office; and

WHEREAS, an appointment under Government Code Section 21221(h) requires that the City has initiated steps to begin the recruitment process for the vacant position; and

WHEREAS, this Section 21221(h) appointment shall only be made once and therefore will end on the date immediately preceding the date on which the permanent replacement for the vacant position of City Clerk for the City of Gilroy commences his or her employment or, if earlier, the date that this appointment is terminated by the City or Beth Minor; and

WHEREAS, the entire employment agreement between Beth Minor and the City of Gilroy has been reviewed by this body and is attached hereto as **Exhibit A**; and

WHEREAS, no matters, issues, terms, and/or conditions related to this employment and appointment have been or will be placed on the consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

Resolution No. 2024-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY APPOINTING BETH MINOR AS INTERIM CITY CLERK AND APPROVING EMPLOYMENT AGREEMENT

City Council Meeting | February 26, 2024

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WHEREAS, the maximum base monthly salary for this position is \$11,978.25 and the hourly equivalent is \$69.11 and the minimum base monthly salary for this position is \$8,983.33 and the hourly equivalent is \$51.83; and

WHEREAS, the hourly rate to be paid to Beth Minor will be \$69.11; and

WHEREAS, Beth Minor has not and will not receive any other benefit, incentive compensation in lieu of benefits or any other form of compensation in addition to this hourly pay rate.

NOW, THEREFORE, the City Council of the City of Gilroy hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council hereby certifies the nature of the employment of Beth Minor as described herein and detailed in the attachment employment agreement and that this appointment is necessary to fill the critically needed position of City Clerk for the City of Gilroy to provide the specialized skills necessary to manage the Gilroy City Clerk's Office functions.
3. The City Council hereby authorizes the appointment of Beth Minor to Interim City Clerk effective on February 27, 2024 pursuant to the authority provided under Government Code Sections 21221(h), which shall end on the date immediately preceding the date on which the permanent replacement for the vacant position of City Clerk for the City of Gilroy commences his or her employment or, if earlier, the date that this appointment is terminated by the City or Beth Minor.
4. The employment agreement with Beth Minor, a copy of which is attached hereto as **Exhibit A** and will be maintained on file with the Human Resources Department, is approved by the City Council, effective on February 27, 2024.
5. The City Administrator is authorized to execute said agreement on behalf of the City, with such technical amendments as may be deemed appropriate by the City Administrator and City Attorney.

PASSED AND ADOPTED this 26th day of February, 2024 by the following roll call vote:

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

Resolution No. 2024-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY APPOINTING BETH MINOR AS
INTERIM CITY CLERK AND APPROVING EMPLOYMENT AGREEMENT

City Council Meeting | February 26, 2024

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ABSENT: **COUNCIL MEMBERS:**

APPROVED:

Marie Blankley, Mayor

ATTEST:

LeeAnn McPhillips
Assistant City Administrator/
Administrative Services &
Human Resources Director

EXHIBIT A

RETIRED ANNUITANT EMPLOYMENT AGREEMENT

The Retired Annuitant Employment Agreement (“Agreement”) is made by and between the City of Gilroy, a municipal corporation of the State of California (“City”) and Beth Minor, an individual (“Retired Annuitant”) as of February 27, 2024 (“Effective Date”).

RECITALS

- A. Retired Annuitant previously was employed by the City of Palo Alto and other California Public Employees’ Retirement System (CalPERS) employers, having previously served as Palo Alto’s City Clerk for six years ending July 2021; and
- B. Retired Annuitant retired from public service effective July 31, 2021, and began collecting a retirement pension from the California Public Employees’ Retirement System (CalPERS); and
- C. The City has a vacancy in the position of City Clerk, a regular position for which the City will commence steps to initiate the recruitment for a permanent appointment prior to February 27, 2024; and
- D. The City has an immediate need for an employee to temporarily perform the position of City Clerk, a position involving specialized skills and training, and which is critically necessary to the on-going duties and functions of the City’s Administration Department; and
- E. Retired Annuitant has the necessary qualifications, experience, and abilities to assist City in the duties of leadership and management of the City Clerk’s Office; and
- F. Retired Annuitant’s employment is authorized by Government Code section 21221(h), which permits the City to appoint a CalPERS retired annuitant to a vacant position requiring specialized skills during recruitment for a permanent replacement; and
- G. City desires to retain the services of Retired Annuitant in accordance with California Government Code Section 21221(h) and Retired Annuitant agrees to provide certain services to City under the strict terms and conditions set out in this Agreement; and

In consideration of this matter described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the parties of this Agreement agree as follows:

AGREEMENT

Section 1. Term of Services

The term of this Agreement is from February 27, 2024, until such time as a permanent replacement for the position of City Clerk has been selected and has commenced employment, unless terminated sooner as provided below.

Section 2. Scope of Services

Retired Annuitant, as an officer of the city, agrees to perform the following duties related to the Gilroy City Clerk's Office:

- a. Develop and direct the implementation of goals, objectives, policies, procedures, and work standards for the City Clerk's Office.
- b. Prepare and complete public noticing of hearings and meetings.
- c. Prepare and direct the distribution of Council agenda materials.
- d. Follow-up after Council meetings to ensure that appropriate actions are taken, questions answered, and individuals notified.
- e. Develop and/or maintain a Citywide, computer-based records management system.
- f. Answer questions regarding City activities, policies, and regulations.
- g. Distribute and process election documents.
- h. Coordinate the formation of assessment districts.
- i. Prepare and monitor the budget for the City Clerk's office.
- j. Coordinate official filing for Fair Political Practices Commission documents.
- k. Evaluate and assign work to assigned clerical and/or support personnel and provide for their training and professional development.
- l. Be responsible for the morale and productivity of the City Clerk's office.
- m. Interpret City and Department policies and procedures to assigned employees.
- n. Provide varied staff assistance to the City Administrator, including providing agenda support for agenda review and other similar meetings, ensuring for agenda production consistent with direction received, attending assigned meetings, proactively communicating matters related to the City Clerk's office, obtaining information from various departments, and conducting studies and projects related to any City function as directed.
- o. Coordinate City Clerk activities with those of other City departments to ensure completion of the work.
- p. Maintain records of Campaign Statements distribute and file same on all elected officials as required by law.
- q. Provide staff support directly, or through delegation to City Clerk's Office staff, to the Mayor and City Council as requested. Support work includes items such as opening and evaluating mail, scheduling meetings, organizing files, preparing correspondence, gathering information, ordering supplies, coordinating training and/or conference registration, etc.
- r. Ensure that the City Council, City Clerk, and Boards & Commissions aspects of the City website are current.
- s. Comply with the Open Government Ordinance.
- t. Serve as Staff Liaison to Open Government Commission. Prepare agendas and minutes and attend quarterly meetings.
- u. Coordinate and/or respond to Public Records Act requests for records and information.
- v. Maintain Public Records Act log and ensure compliance as required by Public Records Act.
- w. Administer procedure for recruitment of City Council appointed Boards, Commissions, and Committees and maintain Local Appointments List as required by the Maddy Act.
- x. Any other duties or assignments typically assigned to the City Clerk.

Retired Annuitant will report directly to the City Administrator for all day-to day administrative work and to the City Council for those work items designated by City Charter. Retired Annuitant shall comply with all City rules, policies, guidelines, regulations, and laws.

Section 3. Compensation; Hours

City agrees to compensate Retired Annuitant at \$69.11 per hour for all services provided under this Agreement. Payments from the City to Retired Annuitant shall be made during the normal payroll cycles of other City employees.

The city has reviewed and compared the hourly rate set forth in this Section with other employees performing comparable duties and the hourly rate set forth in this Section does not exceed such other employees' compensation.

Retired Annuitant agrees and acknowledges that she shall not perform any services under this Agreement exceeding a total of nine hundred sixty (960) hours during any fiscal year (July 1 to June 30) inclusive of any hours worked during the same period for other CalPERS employers as a retired annuitant. Retired Annuitant shall record his hours on a pre-approved timesheet that shall be submitted to the City every month.

The position is a temporary, hourly assignment which is generally not expected to exceed 40 hours per week. The City, through the City Administrator, will assign Retired Annuitant hours to work. Due to the nature of the position, it is understood that the workday and workweek hours may vary, however Retired Annuitant shall not work overtime (i.e. in excess of 40 hours per week) as payment of overtime is prohibited under Government Code Section 21221(h).

There are no other benefits, incentives, compensation in lieu of benefits or other forms of compensation in addition to the hourly pay rate set forth in this Section.

Section 4. Location

The primary locations for services will be at the following addresses:

Gilroy City Hall, 7351 Rosanna Street, Gilroy, California 95020

Section 5. Compliance with Laws

This Agreement will be construed in accordance with and governed by the laws in the State of California. In the event that suit shall be brought by any of the parties, the parties agree that venue shall be exclusively vested in the state courts of the County of Santa Clara, or if federal jurisdiction is appropriate, exclusively in the United States District Court, Northern District of California, San Jose, California. Retired Annuitant shall comply with all applicable laws, rules, policies, and guidelines. Retired Annuitant agrees and acknowledges that the State of California and the governing body of the California Public Employees' Retirement System enact strict laws, regulations and guidelines relating to services provided by "retired annuitants" to public agencies contracting with the California Public Employees' Retirement System. Retired Annuitant agrees to comply with all applicable laws, regulations and guidelines relating to the services provided under this Agreement.

Section 6. Termination

This Agreement may be terminated by either party for convenience by providing written notice to the other party.

Section 7. Miscellaneous

a. Retired Annuitant has read each and every part of this Agreement and Retired Annuitant freely and voluntarily has entered into this Agreement. This Agreement is a negotiated document and shall not be interpreted for or against any party by reason of the fact that such party may have drafted this Agreement or any of its provisions.

b. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjusted shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

c. This Agreement represents the entire and integrated agreement between the City and Retired Annuitant and supersedes all prior negotiations, representations, or agreements, either written or oral.

In witness where of the parties have duly affixed their signatures on this ___ day of February, 2024.

Employer: City of Gilroy

Jimmy Forbis, City Administrator

Retired Annuitant:



Beth Minor

Approved as to Form:

Andrew L. Faber, City Attorney

Attest:

LeeAnn McPhillips, Assistant City Administrator
Administrative Services & Human Resources Director



City of Gilroy

STAFF REPORT

Agenda Item Title: **Receive Fiscal Year 2023-2024 (FY24) Mid-Year Budget Report and Adopt a Budget Amendment Resolution**

Meeting Date: February 26, 2024

From: Jimmy Forbis, City Administrator

Department: Finance

Submitted By: Harjot Sangha, Finance Director

Prepared By: Carina Baksa, Finance Manager

STRATEGIC PLAN GOALS

Develop a Financially Resilient Organization

RECOMMENDATION

- a. Receive Mid-Year Budget Report for FY24.
- b. Adopt a Resolution of the City Council of the City of Gilroy Amending the Appropriations for FY24 in Fund 293.

EXECUTIVE SUMMARY

This report provides the City Council with an update on the Fiscal Year 2024 (FY24) Budget as of December 31, 2023 and appropriates funds in the Opioid Settlement Fund (F293)

BACKGROUND

The FY24 budget was adopted on June 5, 2023, and FY24 activity began on July 1, 2023. The City has now had two full quarters of operations for FY24. Staff presented to Council the First Quarter Financial update on December 11, 2023. This report provides a financial summary of activity for the period of July 1, 2023, through December 31, 2023.

Additionally, as part of the National Opioid Settlements with various pharmaceutical companies, settlements are to provide funds for the abatement of the opioid epidemic in California and throughout the United States and require that the companies change the way they conduct their businesses. The City, through an allocation from the State, has received approximately \$41,000 in funds to date to continue investing in opioid treatment, education and prevention efforts. Staff requests that the City Council adopt a Resolution increasing the appropriations in the Opioid Settlement Fund for FY24 in the amount of \$41,000.

ANALYSIS

General Fund Forecast Update

The City Council last received the General Fund forecast at the December 11, 2023, City Council meeting. The chart below is an updated General Fund Forecast, which incorporates additional revenue adjustments based on the updates the City has received since December 2023.

Fiscal Year 2024 and 2025 General Fund Forecast (02/21/2024)

General Fund Forecast (In Millions)	Actuals FY23	Amended FY24	Amended FY25	Forecast FY26	Forecast FY27	Forecast FY28	Forecast FY29
Beginning Fund Balance	\$ 34.6	\$ 38.4	\$ 29.5	\$ 25.0	\$ 23.5	\$ 21.6	\$ 19.9
Add: Revenues	66.2	65.3	68.5	69.9	72.0	74.2	76.1
Less: Expenditures	(62.4)	(65.6)	(69.3)	(71.4)	(73.9)	(75.9)	(78.9)
Operating Margin	\$ 3.8	\$ (0.3)	\$ (0.8)	\$ (1.5)	\$ (1.9)	\$ (1.7)	\$ (2.8)
One-time Use of Fund Balance	-	(8.6)	(3.7)	-	-	-	-
Ending Fund Balance (after one-time use)	\$ 38.4	\$ 29.5	\$ 25.0	\$ 23.5	\$ 21.6	\$ 19.9	\$ 17.1
Fund Balance as a % (min 30% per CC policy)	62%	32%	31%	33%	30%	26%	22%

Following are the notable adjustments to the updated General Fund Forecast:

- **Sales Tax** – At the October 2, 2023, and December 11, 2023, City Council meetings, staff shared with the City Council that the FY24 sales tax revenue is expected to come in under budget by \$0.9 million. Based on the latest sales tax report, there is an additional decline of \$0.2 million now projected for FY24, bringing the total to \$1.1 million under budget. The additional decline is primarily in the County pool allocation of online sales in the current fiscal year.
- **Property Tax** – At the October 2, 2023, City Council meeting, staff provided an update on the property tax revenue, particularly on developments regarding the Excess Educational Revenue Augmentation Fund (ERAF). The following are two updates regarding property tax revenue forecast and the ERAF.
 - **Real Property Assessment Roll** – Based on the latest County information, the annual growth in the real property assessment roll for FY25, countywide, is trending lower compared to the prior years, notably due to fewer home sales occurring which typically trigger a reassessment of

property's assessed value. As of February 1, 2024, The City of Gilroy's FY25 real property assessment roll growth, compared to the FY24 closed roll, is 3.96%, which is higher than the countywide average of 3.46%. As a point in comparison, Gilroy's real property assessment roll growth a year ago, as of February 1, 2023, was 5.09%, and the countywide average was 4.56%. Much of the growth for FY25 is projected to be the Proposition 13's annual consumer price index (CPI) adjustment of 2%, with new construction and transfer of ownership added value. In addition, the County is expecting to receive increased assessment appeals from commercial property owners, likely triggering temporary reductions in assessed value as allowed by Proposition 8. Commercial properties, notably office buildings and shopping centers/malls, are experiencing high vacancy rates and projected to decline in value. If this materializes, property tax revenue from commercial real asset class will also decline. This will particularly impact cities to the north, such as San Jose, which have a large share of the assessment generated from such property types. For Gilroy, the impact is expected to be not as severe, as almost 80% of the assessed value is from residential properties, and approximately 10% is from commercial. No adjustment is recommended to the secured property tax forecast currently.

- Excess ERAF – Staff previously shared with the City Council that the California School Boards Association (CSBA) legal matter regarding ERAF allocation to charter schools was resolved and the CSBA Appeal was ultimately denied. In January 2024, the Governor released his proposed budget for FY25, which includes a proposal to make a legislative change to allocate ERAF to charter schools, which would reverse the appellate decision. The potential impact of this proposal is approximately \$0.2 million reduction in ERAF allocation to the City of Gilroy on a going forward basis. This adjustment is included in the updated forecast.

In addition, as previously shared, the State Controller's Office (SCO) is reviewing the Excess ERAF calculation for Marin County, a result of which could impact particularly the five bay area counties that generate excess ERAF, including Santa Clara County. The potential impact is approximately 22%, or \$0.4 million, reduction in Excess ERAF to the City of Gilroy on a going forward basis. The SCO has asserted a three-year claw back provision as well, under which the County and cities would need to return or provide future offset from Excess ERAF allocations. For the prior three fiscal years, under claw back provision, staff calculated Gilroy's amount to be \$1.2 million. The County of Santa Clara filed a lawsuit against the SCO on this matter in late December 2023. Staff has included the ongoing 22%, or \$0.4 million, reduction in the updated forecast. No adjustment for the potential claw back provision is made at this time as staff expect the result of the review and any related agreement reached

will likely be on a going forward basis. Staff is monitoring the developments and will provide updates at future quarterly budget updates.

- Investment Income – Given the rapid rise in the interest rate environment, the City’s idle cash, which is currently invested in the State’s Local Agency Investment Fund (LAIF) and US Treasury Securities, is projected to generate additional investment income. The General Fund is now projected to generate over \$1.0 million in investment income in FY24. Subsequent years’ assumptions have also been adjusted.

Overall, the adjustments resulted in a minor net revenue decrease of \$0.2 million and \$0.1 million in FY24 and FY25, respectively, and the operating margin is now projected to be negative \$0.3 million and \$0.8 million, respectively. The General Fund is expected to maintain the minimum required fund balance over the next several years, through FY27, and dip below the required level in the latter two years of the forecast which will need to be addressed in future budget development cycles to ensure the General Fund remains structurally balanced.

General Fund

Revenues

General Fund revenues received through December 31, 2023 total \$23.0 million, or 35% of the amended budget of \$66.2 million. Revenues received up to this point are typically under the 50% fiscal-year mark, especially tax revenues, due to the lag between when the economic transaction occurs and when the City’s revenues are received. The table below provides a breakdown of General Fund revenues by category and a comparison of the actual revenues for the first quarter to the amended budget.

(In Millions)				
General Fund Revenues by Category	FY24 Amended Budget	Actuals through December 31, 2023	% of Budget	
Sales Tax	\$ 21.8	\$ 7.0	32%	
Property Tax	20.4	5.1	25%	
Utility User Tax	6.5	2.9	44%	
Franchise Tax	2.3	0.4	15%	
Transient Occupancy Tax	2.0	0.5	27%	
Business License	0.7	0.3	43%	
Other Revenues	12.5	6.8	55%	
Total	\$ 66.2	\$ 23.0	35%	

Sales Tax - The City receives its sales tax revenue approximately two months after funds are collected by the California Department of Tax and Fee Administration. The FY24 budget for sales tax revenue is \$21.8 million of which \$7.0 million (32%) has been received as of December 31, 2023. Receipts reflect collections for the period of July

through November 2023. Based on the previous quarterly sales tax report, it was reported that the City's sales tax revenue for FY24 was expected to come in under budget by approximately \$0.9 million, the latest quarterly report has revised the estimated shortfall to \$1.1 million under budget for FY24.

Property Tax - The City's property tax revenues are received in various intervals from Santa Clara County and are not distributed in even amounts. Property tax installments are typically due in November and April of each fiscal year. The FY24 budget for property tax revenue is \$20.4 million of which \$5.1 million (25%) has been received as of December 31, 2023. Much of the annual property tax revenue is received in the second half of the fiscal year. At this time, property tax revenue is projected to come in at the budgeted amount.

Utility Users Tax (UUT) - Utility taxes are assessed against the value of energy and telecommunications, such as gas, electricity, steam, cable, and phone charges. The current tax rates are 4.5% for telecommunications and 5% for gas and electricity. The City's UUT revenues are received one month after the revenues are earned. The FY24 budget for utility user tax is \$6.5 million of which \$2.9 million (44%) has been received as of December 31, 2023. Receipts to date represent revenue through the month of November. The utility user tax is projected to come in higher than budget.

Franchise Tax - The City receives franchise tax revenue from three franchise types, including gas and electric, cable tv, and garbage/refuse. The FY24 budget for franchise tax is \$2.3 million of which \$0.4 million (15%) has been received as of December 31, 2023, which primarily reflects quarterly cable franchise payments. The larger portion of franchise tax comes from PG&E, which remits payments once a year and is typically received in the fourth quarter of the fiscal year.

Transient Occupancy Tax (TOT) - The City's TOT revenue comes from a 9% tax on hotel room rentals under 30 days, as well as from some of the RV parks in the City. The hotels pay within one month after their quarter ends. FY24 budget for TOT is \$2.0 million of which \$0.5 million (27%) has been received as of December 31, 2023, which reflects one quarter of returns. At this time, TOT revenue is expected to come in at budgeted levels.

Business License - The FY24 budget for Business License fees is \$0.7 million of which \$0.3 million (43%) has been received as of December 31, 2023. The business license revenue is tied to the timing of the annual renewal of the license. At this time, Business License revenue is expected to come in at budgeted levels.

Other General Fund revenues - This category comprises departmental service charges, general administration charges, fines and forfeitures, and other intergovernmental revenues. The FY24 budget for this aggregate revenue category is \$12.5 million of which \$6.8 million (55%) has been received as of December 31, 2023. At this time, this revenue is expected to come in at budgeted levels.

Expenditures

General Fund expenditures as of December 31, 2023 total \$33.1 million, or 45% of the amended budget of \$74.1 million. The table below provides a breakdown by department and function. It compares the actual expenditures for the first two quarters to the amended budget. Generally, departments are within or below their expenditure target for this time of the fiscal year. Savings are primarily due to Departmental vacancies.

(In Millions)				
General Fund Expenditures by Department/Function	FY24 Amended Budget	Actuals through December 31, 2023	% of Budget	
Administration	\$ 3.8	\$ 1.5	41%	
Recreation Transfer	1.5	0.8	50%	
Other Transfers	1.0	0.5	50%	
Human Resources	1.7	0.7	38%	
Community Development	6.1	2.5	41%	
Finance	1.2	0.5	42%	
Fire	15.4	7.3	47%	
Other General Government	2.8	1.3	46%	
Police	30.8	14.9	48%	
Public Works	9.8	2.8	29%	
Total	\$ 74.1	\$ 32.8	44%	

Non-General Fund

Revenues

The City has approximately 60 non-general funds. The information (revenues and expenditures) for these funds is presented in the table below in aggregate, by fund type, along with a brief description of what is included in these categories.

Non-General Fund revenues received as of December 31, 2023 total \$37.4 million or 39% of the amended budget of \$95.9 million. Revenues received up to this point are usually under the 50% fiscal-year mark due to the timing of receipts, especially for special revenue and capital/development funds.

(In Millions)				
Non-General Fund	FY24 Amended	Actuals through		
Revenues by Fund Type	Budget	December 31, 2023	% of Budget	
Special Revenues	\$ 9.3	\$ 3.0	32%	
Recreation	2.3	1.1	48%	
Capital/Development	32.1	6.5	20%	
Debt Service	5.0	1.6	31%	
Internal Service	16.2	7.9	49%	
Sewer	16.4	9.0	55%	
Water	14.5	8.3	57%	
Total	\$ 95.9	\$ 37.4	39%	

Special Revenues – The primary source of this fund type is intergovernmental funds in the manner of tax sharing or grants from Federal, State, County, and other regional governments. For the City of Gilroy, these Special Revenues provide funding for transportation (Gas Taxes, Vehicle Registration, and Measure B), public safety (Proposition 172 sales tax, Gang Prevention, and regional task forces), and community development (CDBG and housing) among others. The FY24 budget for Special Revenues is \$9.3 million of which \$3.0 million (32%) has been received as of December 31, 2023.

Recreation – The Recreation Fund receives an annual allocation of \$1.5 million from the General Fund and, in addition, acquires revenues from charges for services or grants related to recreation programs. The services provided by Recreation are seasonal, typically most active during spring and summer. The FY24 budget for Recreation revenue is \$2.3 million of which \$1.1 million (48%) has been received as of December 31, 2023.

Capital/Development Impact Funds – Revenues in the Capital and Development Impact Funds are primarily generated by new development approvals and the required contributions to offset infrastructure impacts. Revenue depends on the size and impact of the development and the timing of the project; therefore, revenue is not evenly distributed throughout the fiscal year. The FY24 budget for Capital/Development Funds revenue is \$32.1 million of which \$6.5 million (20%) has been received as of December 31, 2023. In discussion with the Public Works Department there is an indication that large development projects previously expected to materialize in FY24 may be delayed into FY25, thus the related impact fee revenues will also be collected in the next fiscal year.

Debt Service - Debt Service funds receive their revenue from annual property tax levies and/or via interfund transfers from other funds and are typically aligned with the timing of the debt service payment.

Internal Service – Internal Service Funds (Information Technology (IT), Fleet, Facilities, Worker’s Compensation, and Liability Funds) primarily receive their revenue from charges to other departments and funds in the City. These charges are typically assessed in equal monthly amounts based on the budget, and therefore, it is expected that the full budgeted amount will be received.

Sewer – The FY24 budget for Sewer revenue is \$16.4 million of which \$9.0 million (55%) has been received as of December 31, 2023. The Sewer Fund is tracking above for the period. The Sewer Enterprise Fund generates its revenue from utility user charges.

Water – The FY24 budget for Water revenue is \$14.5 million of which \$8.3 million (57%) has been received as of December 31, 2023. The Water Fund is tracking above for the period. Like the Sewer Fund, the Water Fund generates its revenues from utility user charges.

Expenditures

Non-General Funds expenditures as of December 31, 2023 total \$39.2 million, or 29%, of the amended budget. The table below presents the Non-General Fund expenditures by Fund Type.

(In Millions)				
Non-General Fund Expenditures by Fund Type	FY24 Amended Budget	Actuals through December 31, 2023	% of Budget	
Special Revenue	\$ 15.1	\$ 6.2	41%	
Recreation	2.1	0.9	43%	
Capital/Development	35.1	3.3	10%	
Debt Service	4.9	2.9	59%	
Internal Service	22.0	7.0	32%	
Sewer	36.5	12.5	34%	
Water	20.0	6.3	31%	
Total	\$ 135.8	\$ 39.2	29%	

Special Revenues – The primary expenditures in this fund type are for roads and sidewalk infrastructure, followed by grant related expenditures for the Police Department. As of December 31, 2023, expenditures are at \$6.2 million (41%) of the budgeted amount of \$15.1 million. Road and infrastructure capital projects typically commence after the winter/rainy season. Therefore, staff expects funds to be encumbered and expenditures to occur in the latter part of the fiscal year.

Recreation – As of December 31, 2023, expenditures are at \$0.9 million (43%) of the budgeted amount of \$2.1 million. The services provided by Recreation are seasonal, typically most active during spring and the summer.

Capital/Development – As of December 31, 2023, expenditures are at \$3.3 million (10%) of the budgeted amount of \$35.1 million. The below target spending is primarily in the capital outlay. Several capital projects are currently in their design phases and the Capital/infrastructure construction phase, the larger category of expenditure, typically commence after the winter/rainy season, therefore staff expects funds to be encumbered and expended in the latter part of the fiscal year.

Debt Service – As of December 31, 2023, expenditures are at \$2.9 million (59%) of the budgeted amount of \$4.9 million. The debt service payments typically include semiannual interest payments, and one annual principal payment.

Internal Services - As of December 31, 2023, expenditures are at \$7.0 million (32%) of the budgeted amount of \$22.0 million. The City's internal services funds are IT, Fleet, Facilities, Equipment Outlay, Worker's Compensation, and Liability Funds.

Sewer – As of December 31, 2023, expenditures are at \$12.5 million (34%) of the budgeted amount of \$36.5 million. Approximately \$27.0 million of this budget is related to capital outlay, primarily the South County Regional Wastewater Authority's Plant Expansion project which is currently under construction.

Water – As of December 31, 2023, expenditures are at \$6.3 million (31%) of the budgeted amount of \$20.0 million. Approximately \$4.2 million of this budget is related to capital outlay projects, several of which are in their design phases and expected to commence in the latter part of the fiscal year.

FY24 Budget Adjustment

As part of the National Opioid Settlements with various pharmaceutical companies, settlements are to provide funds for the abatement of the opioid epidemic in California and throughout the United States and require that the companies change the way they conduct their businesses. The City of Gilroy, through an allocation from national settlements and funneled via formula through the State of California, has received \$41,000 thus far. Staff is recommending the City Council adopt a resolution to appropriate in FY24 \$41,000 in the Opioid Settlement Fund (Org/Object Code: 2931000-52610) for the purchase of Narcan (Naloxone) and to continue the City's campaign of public awareness about opioid addiction.

ALTERNATIVES

There are no recommended alternatives to the Mid-Year financial report for the period ending December 31, 2023.

Council could reject the resolution to appropriate the \$41,000 in Fund 293 for FY24. Staff does not recommend this option as it would mean an alternative funding source would need to be utilized for purchase of Narcan, or the City may not purchase the same quantity of Narcan as is possible with use of these funds.

FISCAL IMPACT/FUNDING SOURCE

The fiscal impact of the Mid-Year Financial Report for FY24 has been discussed in the above report.

The fiscal impact of appropriating the \$41,000 in the Opioid Settlement Fund would be an increase in budgeted appropriations in Fund 293.

Attachments:

1. Draft Resolution – FY24 Increase Appropriations in Opioid Settlement Fund (F293)

RESOLUTION NO. 2024-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY
AMENDING THE BUDGET FOR THE CITY OF GILROY FOR FISCAL
YEAR 2024 IN THE EXPENDITURE ACCOUNTS OF THE OPIOID
SETTLEMENT 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 2024 and 2025, and the City Council carefully examined, considered and adopted the same on June 5, 2023; and

WHEREAS, City Staff has prepared and submitted to the City Council a proposed amendment to said budget for Fiscal Year 2024 for the City of Gilroy in the staff report dated February 26, 2024, for the mid-year update, more specifically appropriating funding received from the national opioid settlements; 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 Opioid Settlement Fund, Fund 293, are hereby increased by \$41,000 for Fiscal Year 2024.

PASSED AND ADOPTED this 26th day of February 2024 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Beth Minor, Interim City Clerk

CERTIFICATE OF THE CLERK

I, **BETH MINOR**, Interim City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2024-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 held on Council held **Monday, February 26, 2024**, with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **February 26, 2024**.

Beth Minor
Interim City Clerk of the City of Gilroy

(Seal)



City of Gilroy

STAFF REPORT

Agenda Item Title: FY24 and FY25 Departmental Workplan Updates

Meeting Date: February 26, 2024

From: Jimmy Forbis, City Administrator

Department: Administration

Submitted By: Bryce Atkins, Assistant to the City Administrator

Prepared By: Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS

Develop a Financially Resilient Organization
 Ensure Neighborhood Equity from City Services
 Promote Economic Development Activities
 Promote Safe Affordable Housing for All
 Maintain and Improve City Infrastructure

RECOMMENDATION

Council receive the report.

BACKGROUND

At the June 5, 2023 regular meeting, the City Council adopted the FY24 and FY25 operating budgets. As part of that process, the work plans for the various departments of the City were also presented and adopted by the City Council. This report is intended to provide an update on the attainment of those workplan items.

ANALYSIS

The departmental workplans provide a listing of the various projects that the departments are to work on over the two-year budget cycle. Overall, there were 63 workplan items for departments to work on in the listing adopted as part of the two-year cycle. The breakdown of these workplan items contained in Figure 1 below, identified by category. The categories and description of them is below as well.

Categories

- Mandated (13 workplan items)

These items are those imposed by regulation, law, or compliance requirement that the City has no discretion to avoid or defer.

- Core (31 workplan items)
Core items represent a fundamental aspect of the department's purpose. It is what we do as a City, vital but not mandated.
- Discretionary (19 workplan items)
As its name implies, discretionary items are those that are provided by the City for the public good, and is usually Council and/or community driven, but not mandated nor an expected core service of the City.

Figure 1 – Departmental Workplan Items at Adoption

Department	Mandated	Core	Discretionary	Total
Administration	0	4	8	12
Administrative Services	0	5	0	5
Community Development	5	6	3	14
Finance	3	4	0	7
IT	1	5	0	6
Fire	0	4	0	4
Police	1	2	6	9
Public Works	3	1	2	6
Total	13	31	19	63

Work across the various workplan items have reached various levels of completion. The update table attached to this staff report also identifies what the status of each item is. Below in Figure 2, the table identifies the number of workplan items that are in each status.

Figure 2 – Departmental Workplan Item Status Summary

Department	Pending	Underway	Complete	Cancelled
Administration	4	4	3	1
Administrative Services	2	3	0	0
Community Development	5	6	3	0
Finance	2	2	2	1
IT	1	4	1	0
Fire	0	3	1	0
Police	1	4	4	0
Public Works	2	4	0	0
Total	17 (27%)	30 (48%)	14 (22%)	2 (3%)

Overall, nearly a quarter of the number of items on the workplan have been completed to-date. Nearly half of the total initial workplan items are underway, and a little more than a quarter of the items are pending.

Council Initiated Items

Since the adoption of the departmental workplans, the City Council has added 13 Council-initiated agenda items. These items range in labor hour consumption from a few hours to many days and weeks' worth of labor hours. Below is the list of the items that have been added during this fiscal year to-date:

1. Report on Security, Safety, and Parking at Las Animas Park
2. JEDI Policy Consultant Update
3. Smoking Prohibition Ordinance Implementation
4. Sidewalk Vending Ordinance
5. Naming the Downtown Pop-Up Park after Donald "Elvis" Prieto (introduction and discussion) and final approval staff report
6. Gilroy Garlic Festival Memorial Improvements
7. Council-Initiated Agenda Item Policy
8. Downtown Parklet Program
9. Downtown Plywood Storefront Ordinance
10. Downtown Vacancy Ordinance
11. Downtown Noise Ordinance
12. Downtown Beautification
13. Discussion on Rules of Conduct/Hybrid Meetings

These 13 additions increased the total number of tasks by 21%.

Community Development Department (CDD) Workload

The CDD has recently received a significant quantity of Council-initiated items that have been added to their workplan, six of the 13 identified above, over 46% of all Council-initiated agenda items. The understanding regarding added Council-initiated items has been that whenever an item is added, it is to be prioritized and for as many additional items are added to the workload of the department, an equivalent workload will be removed from the workplan to reflect current workload capacity.

As shown below staff is prioritizing the four newly added downtown items for Community Development against the other 12 current tasks and recommending the following prioritization of the remaining workplan items that have not been completed and the additional items from the Downtown Committee reports. Staff recommends continuing the use of the prioritization scheme that Council authorized with the initial workplan development: Mandated items, then core items, followed last by discretionary items:

1. Climate Action Benchmarks (Mandated)
2. Update Zoning Code and Zoning Map (Core)
3. Develop Vehicle Miles Traveled (VMT) Policy (Core)
4. Develop Transportation Demand Management (TDM) Policy (Core)
5. Partner with the County on 8th and Alexander Affordable Housing Development (Core)
6. Inclusionary Housing Policy/Ordinance (Core)

7. Conduct Community Development Focused Fee Study (Core)
8. Safe Parking Policy (Discretionary)
9. Revise Mobile Vending Ordinance (Discretionary)
10. Drive-Throughs Near Residential Areas (Discretionary)
11. Smoking Prohibition Ordinance Implementation (Discretionary)
12. Sidewalk Vending Ordinance (Discretionary)
13. Downtown Parklet Program (Discretionary)
14. Downtown Plywood Storefront Ordinance (Discretionary)
15. Downtown Vacancy Ordinance (Discretionary)
16. Downtown Noise Ordinance (Discretionary)

Community Development currently has several key positions vacant (two retirements in December 2023) that are responsible for the higher-level work of addressing complex assignments and tasks involving legal and procedural functions. The majority of the Council initiated items, as well as the remaining original workplan items require this higher level of work. Community Development, working alongside Human Resources, are working diligently to fill these vacancies with capable staff.

During this past year, it is worth noting that development activities and service demand have been increasing for the Community Development Department. Comparing the same period last fiscal year, at seven months after each fiscal year starts, the development-related revenue in FY 2023 was \$1.78M, versus \$2.63M in FY 2024. Revenue represents application and permit fees, reflecting the rising volume and scale of development projects. In examining the Building and Planning counter in-person customer data, in 2022, 3,364 customers were assisted with an average service time of 49 minutes. In 2023, 3,852 customers were assisted with an average service time of 59 minutes. This represents an increase of 61,455 minutes, or 1,024 hours, of counter customer service. The increasing number of customers as well as the length of service time also indicate the rising volume and complexity of development applications and inquiries.

In addition, code enforcement activities have been surging. The number of new cases increased from 944 in 2022 to 1,658 in 2023, reflecting a 76% rise. These development and code enforcement activities represent the day-to-day operation of the Community Development Department. For some types of applications, there are also State-mandated processing and turnaround times that staff must meet. As vacancies get filled, new staff will need to assist and address development projects and enforcement activities. For now, the Department must focus on performing day-to-day activities, implementing mandated programs and policies, and lastly, address core and discretionary workplan items.

Based on staff's current assessment for the remaining 16 months of the workplan cycle, and the current vacancies and service demand, staff is stating that there is enough capacity to work on the first 12 workplan items. The last four will not be worked on until some of the first 12 workplan items are completed, which would then free up staff labor hours to take on the additional work. Should Council disagree with this prioritization, it

may provide direction to staff to elevate one or more workplan items from #13-16 and identify which of the original 12 will not be worked on until more workload capacity becomes available.

ALTERNATIVES

None, this is an informational item.

FISCAL IMPACT/FUNDING SOURCE

None, this is an informational item.

PUBLIC OUTREACH

This report was included on the publicly posted agenda for tonight's meeting.

NEXT STEPS

None. Should Council determine to provide feedback or direction, staff will receive the information and return to Council should more structured discussion on the item be required.

Attachments:

1. Department Workplan Update Table

Fiscal Year 2024 and 2025 Council Legislative Agenda

11.4

Administration Workplan Item	Category	Estimated Completion	Status	Update
1 Develop City Logo Policy	Core	FY25 - Q4	Underway	Work has commenced on this project. Anticipated completion in June of 2025, if not before.
2 Complete the Emergency Operations Center (EOC) Operations Plan	Core	FY24 - Q4	Underway	Draft document under review. Review period anticipated to continue until April 2024.
3 Develop a Justice, Equity, Diversity and Inclusion (JEDI) Policy	Core	FY25 - Q2	Underway	Project is still in progress. Current contract with consultant ends December 2024. Committee and staff training anticipated to commence in March of 2024.
4 Recreational Facility Needs Assessment Implementation	Core	FY25 - Q4	Pending	Project is budgeted to take place in FY25. RFP development will start this current quarter and into the next. Anticipate entering into agreement at the beginning of the fiscal year.
5 Agency to Provide Drug Rehab, Job Training and Placement	Discretionary	N/A	Cancelled	No agency has been identified that will fulfill this role within Gilroy. All known service providers are outside of the City Limits. No funding source has been identified in order to incentivize them. Even when looking for grants, no agency responded that they would provide service if as grant was awarded.
6 Mobile Garbage Removal Program	Discretionary	N/A	Complete	Two-person crew hired for ongoing, roving garbage removal. Operation now moved to Public Works. Collaboration continues through various departments on larger garbage removal operations.
7 Downtown Strategic Plan Update	Discretionary	FY25 - Q4	Pending	This will be a cooperative project between Community Development and Economic Development. This project is budgeted and planned to commence in FY25.
8 Ordinances to Address Vacancies and Noise Downtown	Discretionary	FY25 - Q2	Pending	Staff work on these ordinances will be coordinated with the Downtown Committee. This work is transitioning to the Community Development Department.
9 Pursue Opportunities for an Assessment District	Discretionary	FY25 - Q2	Underway	Staff has developed a draft plan and preliminary petition. To date, not enough support currently exists to support the ballot for the district to form. Work to gather input from more potential district members is underway, including support from the Gilroy Chamber of Commerce.
10 Establish a Downtown Pop-Up Park	Discretionary	N/A	Complete	The park has been established. Design changes will now be proposed by the Parks and Recreation Commission.
11 Beautification and Decorative Lighting Improvements	Discretionary	N/A	Complete	The decorative lighting improvements and beautification has been completed for the staff direction from the Ad Hoc Committee. Any future work will result from the work of the Downtown Committee, Beautification of Downtown Subcommittee.
12 Planning for a Community/Youth Center/Civic Center Master Plan	Discretionary	FY25 - Q4	Pending	Project is budgeted to take place in FY25. RFP development will start this current quarter and into the next. Anticipate entering into an agreement at the beginning of the fiscal year.

Fiscal Year 2024 and 2025 Council Legislative Agenda

11.4

Administrative Services Workplan Item		Category	Estimated Completion	Status	Update
1	Transition Fleet from Paper to Electronic Work Orders/Documentation	Core	FY 25 - Q2	Underway	The fleet team is in the process of transitioning to electronic work order documentation over hard copy paper records.
2	Performance Management System Update	Core	FY 25 - Q4	Pending	Project not yet started.
3	Evaluate Possible Transition to Biweekly Payroll	Core	FY 25 - Q3	Underway	Initial review underway; evaluating TM HCM system; beginning to develop action task list.
4	Update Human Resources Rules and Regulations	Core	FY 25 - Q2	Underway	Personnel Commission completed training on January 22, 2024; legal review underway.
5	Update the City's Employer-Employee Relations Resolution to Incorporate State Laws	Core	FY 25 - Q3	Pending	Project has not yet started.

Fiscal Year 2024 and 2025 Council Legislative Agenda

11.4

Community Development Workplan Item	Category	Estimated Completion	Status	Update
1	Climate Action Benchmarks	Mandated	Depending on grant No later than FY27 - Q4	Pending The Climate Action Plan is combined with VMT/TDM policies. Staff submitted a grant application in January 2024. Applicants will be notified in the summer of 2024. If grant is not awarded, the \$400,000 budget will be carried forward to FY25 so staff can issue the RFP to begin work. A project timeline will be provided after grant applicants are notified.
2	Implement AB 2234 for Building Permits	Mandated	N/A	Complete Staff created an AB 2234 webpage along with a checklist and example applications and permits for various types of housing development projects.
3	Update Accessory Dwelling Unit (ADU) Ordinance	Mandated	N/A	Complete City Council approved an ADU Ordinance in December 2023. Staff sent the approved ordinance to the California Department of Housing and Community Development (HCD) in December 2023.
4	Complete 10th Street Bridge Project Environmental Clearance	Mandated	FY25 - Q4	Underway The project is transferring to Public Works, with assistance currently of Administration during the transition and with vacant management analysts in Public Works. Timeframe is being re-established with consultant, due to retirement of staff member serving as liaison, and may be adjusted to a shorter timeframe.
5	Implement State Housing and Building Laws (SB 6, SB 35, SB 379, AB 2011)	Mandated	N/A	Complete Staff created a new Planning Division webpage in 2023 with information, checklists, and approval process for AB 2011 and SB 6. Staff also created an SB 35 webpage along with checklist and approval process. Both webpages provide details on applicable residential or mixed-use development. Projects are processed in accordance with state law. Building Division met SB 379 through implementing an automated permitting platform, integrated with the new Gilroy Online "GO Permit" system, for residential solar energy systems.
6	Update Zoning Code and Zoning Map	Core	FY25 - Q2	Underway Project has been reassigned due to staff retirement. Initial recommendations are estimated to be scheduled for review by the Planning Commission and City Council at joint study sessions in mid-2024.
7	Develop Vehicle Miles Traveled (VMT) Policy	Core	See Climate Action	Pending See Climate Action update.
8	Develop Transportation Demand Management (TDM) Policy	Core	See Climate Action	Pending See Climate Action update.
9	Partner with the County on 8th and Alexander Affordable Housing Development	Core	Estimated FY28	Underway Staff has provided input to the County. Draft documents related to the County's Request for Offers process are pending. County will issue a Request for Offers to invite developers to respond and submit proposals.
10	Inclusionary Housing Policy/Ordinance	Core	FY25 - Q2	Underway Inclusionary housing introduction was presented to the City Council in November 2023. A community workshop was held in November 2023. Consultant and staff are completing analysis and initial recommendations which will be presented to City Council in spring 2024.
11	Conduct Community Development Focused Fee Study	Core	FY25 - Q4	Pending Work will begin when resources become sufficient, anticipating in FY 25. Staff will conduct fee studies focused on each development services function to fully account for staff time and costs since fee updates have yet to achieve cost recovery. A fee schedule will be developed accordingly.
12	Safe Parking Policy	Discretionary	FY25 - Q4	Pending Development of a safe parking program needs to be evaluated with other department workplan priorities in FY25.
13	Revise Mobile Vending Ordinance	Discretionary	FY24 - Q4 (by Economic Development)	Underway This workplan item has transitioned to Economic Development. After adoption of the Downtown Parking Management Plan, work will include researching ordinances and processes from other cities and developing a mobile vending ordinance. Staff anticipates bringing an ordinance to Council by mid-2024.

Fiscal Year 2024 and 2025 Council Legislative Agenda

11.4

	Community Development Workplan Item	Category	Estimated Completion	Status	Update
14	Drive-Throughs Near Residential Areas	Discretionary	See Zoning Code	Underway	Regulations for drive-throughs will be included in the comprehensive Zoning Code update.
Council Added 1	Smoking Prohibition Ordinance Implementation	Discretionary	FY25 - Q1	Underway	Staff from several departments collaborated to create a webpage with forms, handouts, signage template, and utility bill insert. Code Enforcement team has been implementing the ordinance through identifying, notifying, and working with 552 properties. As of February 8, 2024, 279 properties met ordinance requirements and 273 properties have yet to comply. Over 120 interactions have occurred with individuals regarding the ordinance. Implementation, community education, and enforcement will continue.
Council Added 2	Sidewalk Vending Ordinance	Discretionary	FY24 - Q3	Complete	City Council adopted the sidewalk vending ordinance in August 2023 and permit fees in September 2023 after staff presented research and drafts between April and September 2023. Staff conducted outreach and education in English and Spanish starting in September 2023 via a new webpage with handouts and documents, notices at physical locations, in-person visits with vendors and businesses on nights and weekends, and community workshops with County Health. Since October 2023, staff has conducted enforcement in English and Spanish with Code Enforcement, Fire Prevention, and Building Inspection teams during weekdays and weekend nights. Field survey and complaint-based enforcement will be ongoing.
Council Added 3	Downtown Parklet Program	Discretionary	FY24 - Q3 for Permits and Initial Direction on Program Development (by Community Development and Economic Development) FY24 - Q4 for Formal Program Development (by Downtown Committee)	Underway	The City Council provided direction between August 2023 and February 2024 regarding the temporary program, existing parklet permits, parklet interest survey, and pursuance of a formal program. The workplan item was originally transitioned to Economic Development and was planned to begin after adoption of the Downtown Parking Management Plan. In January 2024, Council directed Downtown Committee to research and develop a downtown parklet program.
Council Added 4	Downtown Plywood Storefront Ordinance	Discretionary	TBD	Pending	City Council received Downtown Committee Plywood Removal Subcommittee report on January 8, 2024 and directed staff to create an ordinance incorporating the Downtown Committee's recommendations for managing plywood-covered storefronts in downtown.
Council Added 5	Downtown Vacancy Ordinance	Discretionary	TBD	Pending	City Council received Downtown Committee Vacancy Ordinance Subcommittee report on January 8, 2024 and directed staff to create a vacancy ordinance for downtown incorporating the Downtown Committee's recommendations.
Council Added 6	Downtown Noise Ordinance	Discretionary	TBD	Pending	City Council received Downtown Committee Noise Ordinance Subcommittee report on January 22, 2024 and directed staff to create a noise ordinance for downtown incorporating the Downtown Committee's recommendations.

Fiscal Year 2024 and 2025 Council Legislative Agenda

11.4

Finance Workplan Item	Category	Estimated Completion	Status	Update
1 Implement GASB ¹ Statement. 96 - Subscription-based Information Technology Arrangements	Mandated	FY24 - Q2	Complete	Implementation was completed as part of Fiscal Year 2023 (FY23) annual financial audit and is included in the FY23 Annual Comprehensive Financial Report (ACFR).
2 Other Post Employment Benefits (OPEB) Actuarial Valuation/Study	Mandated	FY25 - Q1	Pending	Work will commence in FY24 - Q4 and be completed by FY25 - Q1.
3 Implementation of GASB Statement. 101 - Compensated Absences	Mandated	FY25 - Q4	Pending	Work will commence during second half of the Fiscal Year 2025 and be included as part of the annual financial audit and audited statements preparation.
4 Update Fees and Charges	Core	FY24 - Q2	Complete	The City adjusted the Citywide user fee schedule in July 2023, and completed the Comprehensive Water and Wastewater Rate Study in August 2023. The rates were adopted in October 2023, and the first of the five-year adjustment has been implemented as of January 1, 2024.
5 Utility Customer Water Usage Reports and Portal	Core	FY25 - Q2	Underway	A Request-for-Proposal (RFP) will be issued in FY24 - Q3, with contract and implementation through the rest of 2024.
6 Upgrade City's Online Utility Bill Presentment and Payment System	Core	FY24 - Q2	Cancelled	The City's online utility bill presentment and payment portal was evaluated for upgrade during FY24 Q1. After further review of functionality, features, and compatability with City's other systems, it was determined the upgrade should be deferred until certain features and functionality are available, and the new platform is widely adopted by the vendor's client base.
7 Transient Occupancy Tax Compliance Review	Core	FY25 - Q4	Underway	An RFP will be issued in FY24 - Q3, with contract and implementation through FY25.

Information Technology Workplan Item	Category	Estimated Completion	Status	Update
1 Upgrade Enterprise Resource Planning System to Latest Version	Mandated	FY24 - Q4	Underway	Financial modules testing is complete. Human Capital Management and Payroll testing scheduled to be conducted end of February 2024, with an expected Go Live of April 1st.
2 Land Management System Implementation	Core	FY24 - Q2	Complete	LMS system went live in June/July 2023. System is in post go-live stabilization phase and refinement which is largely administered by the Community Development Department.
3 Implement Cybersecurity Assessment Recommendations	Core	FY25 - Q4	Underway	Certain recommendations have been implemented. Majority of the network related improvements will commence upon hiring of the Network Administrator.
4 Develop Information Technology Asset Lifecycle Plan/Policy	Core	FY24 - Q4	Underway	Policy has been drafted. It is pending IT Steering Committee review and approval.
5 Internet Capacity and Redundancy Upgrades	Core	FY25 - Q3	Underway	Internet capacity upgrades are complete. Internet redundancy work will commence upon hiring of the Network Administrator.
6 Develop a GIS Program Roadmap/Strategic Plan	Core	FY25 - Q4	Pending	This project will commence in FY25 upon completing the migration of the GIS services in-house, expected by June 2024.

1) Governmental Accounting Standards Board

Fiscal Year 2024 and 2025 Council Legislative Agenda

11.4

Fire Workplan Item		Category	Estimated Completion	Status	Update
1	Develop and Implement the Santa Teresa Temporary/Permanent Fire Station	Core	FY24 - Q3	Underway	The Fire Department will no longer lease a modular building due to the increased cost to complete the site work. The Department will continue using the TEEC building as the Interim Santa Teresa Fire Station. Funding was approved to modify the TEEC building so it can operate as a 24/7 fire station. Modifications are currently underway and will be completed in FY24 - Q3.
2	Identify Funding for Chestnut and Las Animas Station Retrofit Plan	Core	FY24 - Q2	Complete	Funding for this project will be charged to the Equipment Outlay Fund. This project has two phases. The first phase will begin in FY24 for the design work of the Las Animas and Chestnut Stations. Approved FY24 funding is \$250K per station. The Department anticipates that the construction phase of this project will begin in FY25. Approved funding for the construction phase is \$2.5M.
3	Develop and Implement a Plan for Over the Air Mapping	Core	FY24 - Q3	Underway	Currently implementing a new Records Management System that includes this feature.
4	Improve RMS Incident Data Reporting	Core	FY24 - Q3	Underway	Currently implementing a new Records Management System that provides improved data analytics.

Fiscal Year 2024 and 2025 Council Legislative Agenda

11.4

Police Workplan Item		Category	Estimated Completion	Status	Update
1	Implement Legislative Reforms and Mandates	Mandated	2023-Q4	Complete	The Department will be mandated to constantly implement reforms and mandates as legislation is passed. The two most current mandates, AB481, Military Equipment Use and Inventory and Concealed Carry Weapon (CCW) policies were completed.
2	Public Safety/Mental Health Response Team	Core	2025-Q1	Underway	A no-cost MOU with the County of Santa Clara for a Psychiatric Emergency Response Team (PERT) Justice and Mental Health Collaboration Program is underway. The clinician will be housed at the PD and staff will use best practices for keeping measures by utilizing the RIMS (Records/CAD) system. Fiscal uncertainty at the county level may cause a delay in finalizing the MOU.
3	Employee Wellness & Resiliency Program	Core	2025-Q2	Underway	State funding of \$43,000 was received in February 2023 and funds are being expended to expand the peer support program and initiatives. Gilroy was selected by the University of San Diego and POST as a model to develop a wellness and resiliency program for other law enforcement agencies.
4	Conduct a Community Survey	Discretionary	2024-Q2	Complete	Community survey implemented October 2023 using My90 by Axon. A Council presentation was completed in January 2024 and results are posted on the City of Gilroy's Police Department webpage.
5	Reimplement The CPA (Community Police Academy)	Discretionary	2023-Q4	Complete	Youth, Spanish and English CPA's were completed for 2023 and 2024 academies are scheduled.
6	Supervisor Mentorship Program	Discretionary	2024-Q1	Complete	Two sergeants were were tasked to explore and develop a mentorship program. Identifying contemporary policing practices, The President's Task Force on 21st Century Policing Implementation Guidebook is being used as part of study sessions with department supervisor staff to mentor and create a blueprint for emerging leaders.
7	Develop the Police Department's Three-Year Strategic Plan	Discretionary	2025-Q2	Underway	This project is in progress and pending the onboarding of the Department's Community Engagement Coordinator. This project will be one of their first year's goals.
8	Develop a Department Succession Plan	Discretionary	2025-Q1	Underway	In concert with the mentorship program, a formalized succession plan is being used to develop staff for promotional opportunities to the supervision ranks for Corporal, Sergeant, Captain and Chief of Police and specialized units of Traffic, Anti-Crime Team and Investigations.
9	Promote Neighborhood Watch Program (NWP)	Discretionary	2025-Q3	Pending	The Department continues to recruit for vacant positions and hopes to onboard a Community Engagement Coordinator to implement a NWP. In the meantime, staff communicates to the public the steps to take to enhance community safety through social media platforms, community engagement and presentations.

Fiscal Year 2024 and 2025 Council Legislative Agenda

11.4

	Public Works Workplan Item	Category	Estimated Completion	Status	Update
1	Implement State Mandate for City-wide Storm Drain Trash Capture Prog	Mandated	35% by 2026	Underway	The City has been mapped and trash capture plan identified. Devices have not been installed. Funding source still needs to be identified.
2	SB1383 Solid Waste Reporting and Enforcement Implementation	Mandated	FY25 - Q4	Underway	The City has not yet determined its enforcement policy. Work is continuing on developing this program and implementing SB 1383 requirements. Staff will continue collaborating on organic waste implementation with Environmental Services staff.
3	Implement State Water Conservation Measures	Mandated	Ongoing	Underway	This program is ongoing.
4	Downtown Parking Management Plan	Core	FY24 - Q3	Complete	Final Plan to be approved at March 4, 2024 City Council meeting.
5	Implement Strategies from the Public Works Department Evaluation	Discretionary	FY25 - Q4	Underway	The City has hired a new Utilities Department Director, and is pursuing additional position recruitments. Utilities and Public Works are collaborating on the transition, and taking on elements of the evaluation recommendations respective to each department.
6	Explore a Transit First Policy	Discretionary	TBD	Pending	Work on this has not yet begun.
Council Added 1	Downtown Beautification	Discretionary	TBD	Pending	The City Council received the Downtown Committee - Downtown Beautification Subcommittee report on January 22, 2024 and recommended staff to carry out capital projects, maintenance, and programs incorporating the Downtown Committee's recommendations. Multiple departments involved, but mostly Public Works.



City of Gilroy

STAFF REPORT

Agenda Item Title:	Council-Initiated Agenda Item Policy
Meeting Date:	February 26, 2024
From:	Jimmy Forbis, City Administrator
Department:	Administration
Submitted By:	Bryce Atkins, Assistant to the City Administrator
Prepared By:	Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Council provide direction regarding the draft policy.

BACKGROUND

At the December 11, 2023 meeting of the Gilroy City Council, a Council-initiated agenda item was issued to discuss adoption of a policy/procedure for the submission and consideration of future Council-initiated items on the Council's agendas. The instruction as part of that direction entailed creating a process to gather information on the future agenda items to allow more specificity and certainty about the nature of future requests, including an estimate of financial impacts or intent of the potential action. This information would then be provided when Council considers adding the item to a future agenda.

ANALYSIS

The current policy statement regarding the addition of future Council agenda items is contained in the adopted Council Norms. Below is an excerpt from the Council Norms relating to this subject.

2. Adding Agenda Items:

2.1. Any Council Member may propose an item for consideration as an agenda item for a future meeting by oral request during the portion of the Council

meeting designated for Future Council Initiated Agenda Items. The Council will decide whether to agendize the item for a future Council meeting.

In conducting research on this subject, there is some variety in the ways other city councils process requests. A few of the cities in Santa Clara County have similar provisions, but most have some form of process for submitting agenda item requests. Attached to this staff report are excerpts of the various procedures and/or requirements for council members to add items to their councils' agendas.

Proposed Policy

The draft policy, attached to this staff report, is modeled after a process called a colleague's memorandum which is used by a few cities (Palo Alto, Sunnyvale), and modifies it to meet the needs of the City of Gilroy with our agenda process generally. The policy would require for items to be added by a majority of a quorum of the Council following a written submittal about the item. The council member(s) requesting to have an item added to a future agenda would be required to submit a Future Agenda Item Request Memorandum (FAIR Memo).

To summarize the attached policy, there are a few procedural steps:

- Before the FAIR Memo can be submitted, it requires council members proposing agenda items to meet and consult with the City Administrator to understand from an administrative and operational perspective the circumstances and potential impacts from the proposed action.
- After, the council member(s) then prepare the memo, which must comply with the following structure:
 - Not exceed two (2) pages.
 - Be focused on the need for a future agenda item without advocating for or against the merits of the agenda item being requested.
 - Contain a brief summary outlining the request and any relevant background information.
 - Contain a fiscal impact estimate.
 - Contain a staffing/labor impact estimate.
 - Include copies of any resolutions, proclamations, documents and other associated material that is to be considered as part of the proposed action.
- The FAIR Memo, if compliant with the above, would be placed on an agenda within 30-45 days of the request under the Future Agenda Items section. City staff will prepare a brief staff report discussing initial thoughts and considerations about the item, but not a detailed analysis.
- There, the City Council may give direction if the item is to be brought back on a future agenda meeting for discussion and potential action. Council may direct the City Administrator to agendize the matter for Council action at least two meetings out, allowing City staff sufficient time to conduct its analysis and prepare a staff report.

- FAIR Memos that are not compliant will be returned to the submitting council member(s), with a description of precisely how the FAIR Memo does not comply with the policy.

ALTERNATIVES

Council may direct the policy to return as-is to Council for adoption, or with any amendments. Council may also direct work on such a policy to cease.

FISCAL IMPACT/FUNDING SOURCE

None. There are no anticipated costs financially for consideration of such a policy, nor implementing the draft policy discussed. There would be a negligible increase in staff time in processing the requests.

PUBLIC OUTREACH

The topic was raised as part of the discussion on future Council-initiated agenda items on December 11, 2023, and was included on the publicly posted agenda for this meeting.

NEXT STEPS

Staff will incorporate any changes or other direction received and return to Council with a policy for Council action.

Attachments:

1. Draft Council Future Agenda Items Policy.
2. Summary of other Santa Clara County cities' policies regarding future agenda items.

City of Gilroy

City Council Future Agenda Item Policy



Adopted: TBD, 2024

Purpose/Background

The purpose of this policy is to establish procedural guidelines for the request of future Council-initiated agenda items.

Policy

Future Council-Initiated Agenda Items present an opportunity for City Council Members to request agenda items to be added to future Council meetings for discussion and potential action. Prior to this policy, Council initiated agenda items could be requested with a consensus of the Council without knowledge on the subject or the specific action being asked for before approving the item to be discussed. To aid in the determination of what items are appointed by Council to be discussed at future Council meetings, this policy establishes a set of information to be provided when asking for a future Council agenda item.

All conditions and criteria identified below must be met before a Council-initiated agenda item may be brought to the Council for consideration.

Items may be placed on the agenda by the Mayor, a majority of a quorum of the Council, or by the City Administrator.

For items to be added by a majority of a quorum of the Council, the council member(s) requesting to have an item added to a future agenda must submit a Future Agenda Item Request Memorandum (FAIR Memo).

Before Submitting a FAIR Memo

Prior to preparing a FAIR Memo, Council Members will consult with the City Administrator to discuss the topic, to understand from an administrative and operational perspective the circumstances, planned activities, and other considerations regarding the matter before submitting the request. After the consultation, a FAIR Memo may be prepared and submitted to the City Administrator. Any FAIR Memo that is submitted without the prior consultation shall not be placed on an agenda until such consultation takes place.

Procedure to Submit and Process a FAIR Memo

- Either an individual or group of two or three Councilmembers may prepare a brief FAIR Memo outlining a request to create a future agenda item for the Council to consider at an upcoming Council meeting.
- Councilmembers shall submit FAIR Memos directly to the City Administrator.
- Completed FAIR Memos shall be provided to the City Administrator by noon on the Tuesday prior to the Council meeting that the memo is intended to be agendaized, to provide time for the City Administrator and City Clerk to process for the Council packet.

- To avoid a Brown Act violation, FAIR Memos are not to be shared with Councilmembers outside of the group who authored a specific memorandum.
- FAIR Memos shall be structured as described below. FAIR Memos shall:
 - Not exceed two (2) pages.
 - Be focused on the need for a future agenda item without advocating for or against the merits of the agenda item being requested.
 - Contain a brief summary outlining the request and any relevant background information.
 - Contain a fiscal impact estimate.
 - Contain a staffing/labor impact estimate.
 - Include copies of any resolutions, proclamations, documents and other associated material that is to be considered as part of the proposed action.
- The City Administrator will review and determine the compliance of the FAIR Memo consistent with this policy and the Ralph M. Brown Act (open meetings law) or provide feedback to the authors.
- The City Administrator will schedule compliant FAIR Memos to be placed on a Council Meeting agenda within 30-45 days of the request. City staff shall prepare a brief staff report discussing initial thoughts and considerations about the item, and to address the fiscal and staff time impact estimates in the FAIR Memo. Maximum staff time spent on the FAIR Memo shall not exceed an hour.
- Compliant FAIR Memos will be included under the Future Agenda Items portion of the Council meeting agenda. There, the City Council may give direction if the item is to be brought back on a future agenda meeting for discussion and potential action. Council may direct the City Administrator to agendize the matter for Council action at least two meetings out, allowing City staff sufficient time to conduct its analysis and prepare a staff report.
- FAIR Memos that are not compliant with this policy shall be returned to the submitting Council Member(s) with a description of precisely how the FAIR Memo does not comply with the policy.

Excerpts from Other Santa Clara County Cities Council Members Adding Agenda Items

Cupertino

7. Agendas and Staff Reports

7.1 Future Agenda Items. The City Manager, the City Attorney, the Mayor, or any two Councilmembers may request that an item be added to a future agenda for Council action. The City Manager shall provide a quarterly report to Council regarding the status of future agenda items, which may include a request to remove items from the list of future agenda items. Any item may be removed for the future agenda items list by a majority vote of the City Council.

Los Altos

10.9 Placing items on a future agenda. Members of the City Council may have any matter that can be legally agendaized placed on the agenda of the City Council by indicating their desire to do so under that portion of the City Council agenda designated, "Future City Council Agenda Items." Placing an item on a future agenda requires two Councilmembers to support the item if no staff work is required and three Councilmembers if staff work is required. Unless an item is deemed an urgency exception or emergency exception, as defined in the Norms, Councilmembers shall request the placement of items on future agendas at a public Council meeting.

Los Gatos

I. Preparation of the Agenda

The agenda is prepared by staff in consultation with the Mayor for the Mayor's final approval. If there is a disagreement between the Mayor and staff, the Mayor makes the ultimate call on the agenda and its items. Any member of the Council may submit a request through the Town Manager or directly to the Mayor to make a change or addition to the agenda. In no event may the subject of whether to amend the agenda be discussed outside of a public meeting by more than two (2) members of the Council.

Items thus proposed to be added to the agenda require the Mayor's agreement to be added for action. If the Mayor does not agree, the item shall be listed on the agenda for discussion purposes only under the Council Matters section of the agenda. Council may then discuss whether to place the item on a future agenda for action. Two (2) or more members of the Council must vote in favor of placing an item on a future agenda for action. The Mayor in good faith will make every effort to place the item on the first available Council agenda in consultation with the Town Manager.

IF the wish of the Council is to add an item on the agenda of the current meeting, then the Brown Act generally requires a two-thirds(2/3) vote or a unanimous vote of those present if less than five(5) Council members are present, with a finding that there is a need to take immediate action and the need for action came to the attention of the Town after the agenda was posted.

Excerpts from Other Santa Clara County Cities Council Members Adding Agenda Items

Milpitas

B. Agenda Item Submission

1. The City Manager has the primary responsibility for the development of the Council Agenda, ensuring all protocols are followed, and that management of the agenda is closely linked to organizational goals and work plans. Any item that is placed on the agenda shall be in accordance with the City's Open Government ordinance (MMC I-310) so that it can be clearly understood by members of the community.

2. Mayor or Councilmember:

- a. The Mayor or a Councilmember may request the City Manager to add an item to a Council agenda. No staff report or other staff work will occur until the item is discussed before the full City Council. Discussion and prioritization by the City Council will occur on a quarterly basis.
- b. Councilmembers may make this request verbally during a meeting or may submit a written request to the City Manager at other times.
- c. See Section 2.C.4 "Request for Staff Resources" for further details on any associated staff work related an agenda item request.

Requests for Staff Resources

- a. Mayor and Councilmember requests to consider new programs, services, or requests for significant allocations of resources, shall be directed to the budget process to the maximum extent possible.
- b. Mayor or Councilmember requests for minor (generally less than four hours of staff time) research or other staff work must be directed to the City Manager.
- c. If more than four hours of staff time will be required to complete the task/project, the item will be placed on the agenda to ask the City Council if time should be spent on the proposed item. A discussion and prioritization of Mayor and Councilmember requests are scheduled on a quarterly basis.
- d. Mayor and Councilmember requests for more than four hours of staff work for City Council consideration will adhere to all the City of Milpitas Open Government Ordinance provisions, including, but not limited to:
 - I-310-2.30 Agenda Requirements. "(b) At least six (6) days before a regular City Council meeting, a preliminary agenda shall be posted containing a meaningful description of each item of business to be transacted."
 - "(c) A description is meaningful if it is sufficiently clear and specific to alert members of the public whose interests are affected by the item that he or she may have reason to attend the meeting or seek more information on the item.
 - To achieve the above requirements, all materials must be submitted to the City Clerk, to the extent possible, no less than eight (8) days in advance of a Council meeting.
- e. Staff responses to a Councilmember inquiry, including the original inquiry, shall be distributed to the Mayor and all City Councilmembers.

Excerpts from Other Santa Clara County Cities Council Members Adding Agenda Items

Monte Sereno

7. Agenda

An agenda shall be prepared for each regular meeting containing the specific items of business to be transacted and the order thereof. Items of business may be placed on the agenda by any Council Member, the City Manager, or the City Attorney. The City Manager may advise, but cannot override, on the placement of items for consideration. In addition, a City Council Member may request that an item be placed on a future agenda during the future agenda portion of a City Council Meeting as outlined in Section 9 below.

Morgan Hill

Section 4 – AGENDA CONTENTS

4.2 Placement of items on the agenda: The Mayor, City Manager, or City Attorney may place items on the agenda. Members of the City Council may request items to be added to an upcoming City Council agenda by requesting an item during the “Future Council Initiated Agenda Items” Section of the agenda. When a Future Council Initiated Agenda Item is requested, the Council Member making the request will send the City Manager a brief summary outlining the request and any relevant background. If the requested item is not included in the current Strategic Priorities Workplan, the team will bring forward the item at a future Council Meeting within 30-45 days of the request via a brief staff report, including the brief summary provided by the requesting Council Member. At that meeting, the City Council will review the request and determine if the majority of the City Council want the items agendized at a future meeting for discussion.

Mountain View

b. Council Request for Agendizing

A Councilmember request for an item to be agendized will be done as an action item with support work of up to one hour by staff. If more than one hour is required, then the item will be agendized to ask Council if time should be spent on preparing a full report on the proposed agenda item.

Palo Alto

K. Council Matters

Any two Council Members may bring forward a colleague memo on any topic to be considered by the entire Council. Two Council Members are required to place such a memo on the agenda, reflective of the Council procedure requiring a motion and a second for consideration of a motion by the Council. Up to four Council Members may sign a colleague memo. The City Attorney recommends that the colleague memo be limited to three Council Members in order to avoid the potential of a Brown Act issue. Prior to preparing a colleague memo, Council Members will consult with the City Manager to determine whether he/she is or is willing and able to address the issues as part of his/her operational authority and within current budgeted resources. Colleague’s memos should have a section that identifies any potential staffing or fiscal impacts of the contemplated action. This section will be drafted by the City Manager.

Excerpts from Other Santa Clara County Cities Council Members Adding Agenda Items

Council Members shall provide a copy of the proposed memo with the City Manager or appropriate senior staff prior to finalization. Completed Council colleagues memos shall be provided to the City Clerk's staff by noon on the Tuesday prior to the Council meeting that the memo is intended to be agendized, to provide time for the City Clerk to process for the Council packet.

The City Council will not take action on the night that a colleague memo is introduced if it has any implications for staff resources or current work priorities which are not addressed in the memo. The Council will discuss the colleague memo and then direct the City Manager to agendize the matter for Council action within two meetings, allowing City staff time to prepare a summary of staffing and resource impacts. Action may be taken immediately by the Council on colleague memos where there are no resource or staffing implications or where these are fully outlined in the colleagues memo. The Brown Act requires that the public be fully informed of the potential action by the Council via the Agenda 72 hours before a scheduled Council meeting. In order to satisfy the Brown Act requirements, the Council should consult with the City Attorney to ensure that the proposed title to the colleague memo contains all actions that the Council Members want completed on the night of the Council review.

Santa Clara

Referral from Members of the City Council in Advance of a Meeting:

After consultation with the City Manager (and/or City Attorney, as appropriate), the Mayor or any individual Councilmember may submit a written request by using the Council Item Request Form to the City Manager's Office for inclusion of an item on a future City Council agenda,.

An item may be referred to the City Manager for inclusion on a City Council agenda during a Council meeting by City Council action. The procedure for written request from the City Council shall be as follows:

1. Members of the City Council shall use the Council Item Request Form to submit a written request for inclusion of an item on a future City Council agenda.
2. Prior to submitting a Council Item Request from, the Member shall discuss the proposed request with the City Manager (And/or City Attorney, as appropriate) to determine if City staff's response does not satisfy the Member's request, the Member shall submit the Council Item Request form for placement on a future City Council agenda.
3. Once the City Clerk's Office receives the Council Item Request form, it should immediately be forwarded to the City Manager for placement on an agenda, is possible, within two (2) Council meetings after receipt of the original request by the City Clerk's Office. All written material (Council Item Request Form and any support material) will be submitted on the agenda in the form substantially provided by the requestor without any staff analysis, including fiscal review, legal review and policy review, until the City Council has had the opportunity to provide the direction to the City Manager.

Referrals from Members of the Council at the Council Meeting

Excerpts from Other Santa Clara County Cities Council Members Adding Agenda Items

If an issue arises during a Council meeting that may require future City Council action a City Council member may also request, through a referral, that such item be agendaized for future Council consideration.

Such a request may be considered by the Council following the “Procedure for Handling Requests at the City Council Meeting” set forth below.

Saratoga

Agenda Items and the Agenda Planner

Items may be placed on the agenda by the Mayor or the City Manager. Additionally, Council Members may request that items be added to a future meeting by making the request at the end of a regular meeting during the Council Items portion of the meeting. If a second Council Member supports the request, the item will be added to a future meeting.

The City Manager and City Clerk hold weekly meetings with the Mayor and Vice Mayor to discuss upcoming agenda items and set the agenda of future meetings.

Future agenda items are identified on the Agenda Planner, which is emailed to the City Council weekly. The Agenda Planner shows when items will go before the City Council, which section of the agenda the item will appear under, and the staff person preparing the report on the item.

Sunnyvale

Placing Items on the Agenda

Items may be placed on the agenda by the Mayor, a majority of a quorum of the Council, or by the City Manager. The order in which items appear on the agenda shall be determined by the City Manager and approved by the Mayor.

Colleagues Memorandum

- A group of two or three Councilmembers may prepare a brief colleagues memorandum outlining a request to create a future agenda item for the Council to consider at an upcoming Council meeting.
- Councilmembers shall submit colleagues memorandums directly to the City Manager.
- Colleagues memorandums are not to be shared with Councilmembers outside of the group who authored a specific memorandum.
- Memorandums shall not exceed two (2) pages and shall be focused on the need for a future agenda item without advocating for or against the merits of the agenda item being requested.
- The City Manager will review and approve the Colleague Memorandums consistent with this policy and the Ralph M. Brown Act (open meetings law) or provide feedback to the authors.
- The City Manager will schedule the approved colleagues memorandum for the next available Council agenda.

Excerpts from Other Santa Clara County Cities Council Members Adding Agenda Items

- Completed colleagues memorandums will be included under the Non-Agenda Items & Comments portion of the Council meeting agenda for Council action.
- A colleagues memorandum is not required to request an agenda item be added to a future agenda.



City of Gilroy

STAFF REPORT

Agenda Item Title: Accept the Annual Comprehensive Financial Report for Fiscal Year-Ended June 30, 2023

Meeting Date: February 26, 2024

From: Jimmy Forbis, 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, 2023 (FY23).

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, 2023, was recently 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 Certificate of Achievement is a prestigious national award recognizing conformance with the highest standard for preparation of state and local government financial reports. The City's ACFR has received this award for the previous nine fiscal years, most recently for FY22, and staff believes the current report (FY23) 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, 2023.

A detailed analysis of the City's financial position as of June 30, 2023, 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 on correcting these deficiencies. No such deficiencies in internal controls were identified during the FY23 audit.

Summary of the highlights are as follows:

Citywide: The City's overall net position increased by \$8.1 million to \$381.8 million from prior fiscal year (FY22). Of the total net position, \$100.7 million, or about 26%, remains unrestricted, and the majority of the remaining consists of net investment in capital assets.

General Fund: For ACFR purposes, the City combines its Sidewalk Repair, Golf Course, Parking Management, and Community Recreation special revenue funds with the City's General Fund for financial statement presentation as required under Governmental Accounting Standards Board (GASB) Statement 54.

- Revenues: The actual revenues, excluding transfers, in the General Fund were \$2.3 million better than the final budget, primarily due to better than projected investment income attributed to the increase in interest rates, and increased revenues from taxes (property and utility user) and charges for services during the fiscal year.
- Expenditures: The actual expenditures, excluding transfers, in the General Fund were \$3.5 million less than the final budget, primarily related to capital outlay which will carry into the next fiscal year, and other general operational savings across departments.
- Fund Balance: The fund balance (for ACFR purposes) in the General Fund increased by \$4.0 million to \$41.9 million from the prior year.

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, 2023.



Annual Comprehensive Financial Report

Year Ended June 30, 2023

City of Gilroy

Gilroy, California

Annual Comprehensive Financial Report and Independent Auditors' Reports

For the Year Ended June 30, 2023

Prepared by Finance Department

Harjot Sangha, Finance Director
Rosemary Guerrero, Finance Manager

City of Gilroy
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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City of Gilroy
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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Annual Comprehensive Financial Report
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INTRODUCTORY SECTION





**CITY ADMINISTRATOR'S
OFFICE**
7351 Rosanna Street
Gilroy, CA 95020

Telephone (408) 846-0202
Facsimile (408) 846-0500
<http://www.ci.gilroy.ca.us>

February 20, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of Gilroy:

The City of Gilroy's (City) Charter requires that the City publish a complete set of audited financial statements for each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023. This Annual Comprehensive Financial Report (ACFR) is submitted for your information and review. The information contained herein has been provided to allow the reader to gain an understanding of Gilroy's financial activities. Management assumes full responsibility for the completeness and reliability of the information contained in this report. The Management Discussion and Analysis (MD&A) is included to assist the reader in its review of the City's financial statements. It provides a roadmap for the financial statements and related notes.

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, 2023. 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. 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 2023, as of January 1, 2023, the City had a population estimate of 60,078.

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 been transitioning from an agricultural economy into a light-industrial and services-based economy.

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 are appointed by the City Council.

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 service. 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 has been 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 during the past twenty years. 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.

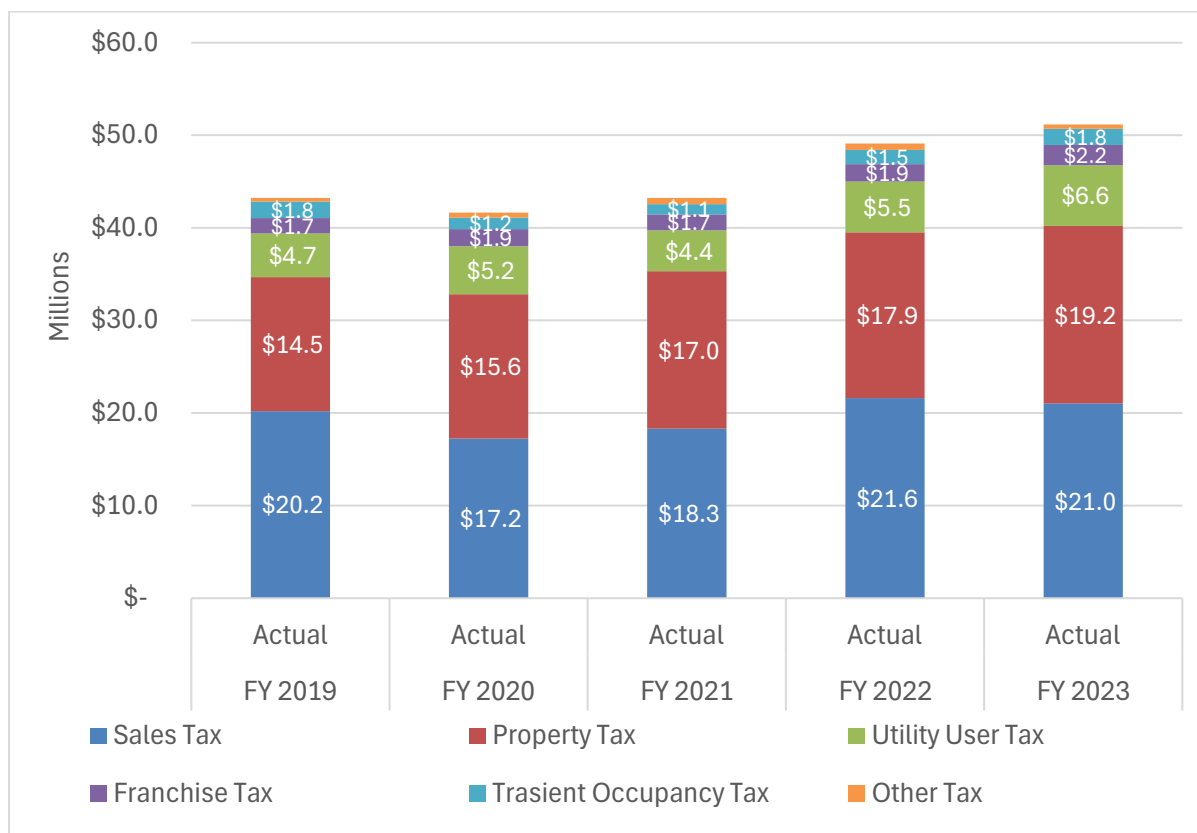
Today, Gilroy's economy is diversified into non-agricultural commercial and industrial activities such as light manufacturing, wholesale operations, automobile sales, and large retail centers. The Gilroy Outlets, Auto Mall area, and retail developments east of Highway 101 have put the City on the map 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 has also been active in the commercial sector in southeast Gilroy, near Hwy 152, east of 101. Various industrial and warehouse developments anticipate adding jobs to Gilroy. A new retail center at 10th Street and Chestnut Street will include a five-story, 112-room hotel, three restaurants with drive-

through, a convenience store, a gas station, a carwash, and intersection improvements at 10th Street and Chestnut. These commercial developments provide the City with millions of square feet of retail and professional services space.

Overall, the City's economic outlook is projected to remain stable in the near-term. Over the last two years, the city's finances have stabilized with healthy reserve levels due to strong economic recovery from the COVID-induced recession and the unprecedented economic stimulus provided by the federal government. In 2022, the Federal Reserve adjusted its monetary policy to raise federal fund interest rates to curb high inflation. This shift is the economic policy that remained intact during 2023, where the Federal Reserve increased the federal funds rate from nearly 0% to over 5%. The higher interest rate environment has impacted consumer spending and curbed typically financed business investments. Evidence shows that the Federal Reserve's adjusted policy is achieving its goal to curb inflation and restoring price stability. Compared to the December 2022 consumer price index (CPI) inflation, CPI inflation fell by 3.1%, from 6.5% in December 2022 to 3.4% in December 2023. Core inflation, which excludes volatile food and energy prices, was 3.9% in December 2023, down 1.8% from its 12-month December 2022 rate of 5.7%. While the inflation stands above the Federal Reserve's target of 2%, some economics predict that the Federal Reserve has reached the peak in its current cycle of rate hikes and that a weakening economy in 2024 will initiate a mild easing of the federal funds rate by the fourth quarter of 2024, followed by additional easing into 2025.

The General Fund is the most discretionary funding source and funds 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. The chart below depicts these significant tax revenues and their year-over-year change for five years. Additionally, the top two sources are further discussed below.



Sales tax is the largest single source, approximately 32% of total General Fund revenues in FY23, and is very volatile as it relies directly on consumers' discretionary spending. Sales tax revenue rebounded quickly in the preceding two years as the pandemic-related measures were lifted and economic activity resumed; however, sales tax revenue of \$21.0 million in FY23 was \$0.6 million lower, or down 3%, compared to FY22's revenue of \$21.6 million, which was a record high. The City's FY24 budgeted sales tax revenue is \$21.8 million and is currently projected to come in at \$20.7 million, approximately, \$1.1 million, or about 5%, under budget notably due to slowdown in consumer spending in the general retail, construction, and County pool (online sales) sales tax categories.

Property tax is the second largest source, approximately 30% of total General Fund revenues in FY23, and has had steady growth, 7% on average, over the last four years. Property tax revenues totaled \$19.2 million, an increase of \$1.3 million, or 7%, from the prior year's \$17.9 million. In FY24, the property tax revenue is projected to come in at the budgeted \$20.4 million, approximately 6% higher than in FY23. 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.

The City's **General Fund's primary expenditure** is related to personnel. At the beginning of FY23, the City Council approved various multi-year labor contracts focusing on recruitment and retention, which helps provide stability for the employees and the organization overall and helps to project and budget for the planned increases for the next two fiscal years. In addition, during FY23, the City initiated the first automatic CPI adjustment, 4.2%, to its citywide user fee schedule to ensure it can continue to recoup the costs of providing certain services.

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. The rates were last adjusted in 2019. 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, with annual increases thereafter for five years. The rates are projected to keep both utilities fiscally sound, keep up with the operational costs, and make the necessary capital investments in the aging infrastructure.

Fiscal Year 2023 (FY23) Financial Results

The City as a whole ended the FY23 with an operating gain, resulting in a change in net position of \$8.1 million.

The City's net pension liabilities increased by \$43 million to \$103.7 million. The increase in the liabilities was primarily driven by negative investment earnings and higher interest costs on total pension liability which decreased the pension plans' fiduciary net position during the measurement year.

In the General Fund, the revenues for FY23 were \$2.3 million better than budget, primarily due to higher than projected investment income attributed to the rapid increase in interest rate environment, increased revenues from taxes (property and utility user), and charges for services during the fiscal year. Additionally, expenditures were \$3.5 million lower than budget, primarily related to capital outlay, which will carry into the next fiscal year, and additional operational savings across all departments. Excluding transfers, the revenues exceeded the expenditure by \$3.6 million, resulting in a net increase in fund balance for the General Fund of \$4.0 million to \$41.9 million.

Revitalization and Capital Improvements

Commercial development in specific corridors in Gilroy has added millions of square feet of retail and professional services space to the City. Downtown revitalization efforts have helped attract new businesses, retained existing businesses, and created a core area of antique stores, specialty shops, and restaurants. Restored historic buildings also add to the downtown's character, including the Old City Hall and the Train Depot. However, some vacant storefronts persist, and the city continues to focus additional efforts on revitalizing these spaces by offering economic incentives to the property and the business owners. Through FY23, the City Council continued its commitment to revitalizing the downtown area to make façade improvements, implementing a blight removal program, and forming a City Council downtown committee. The Council also authorized several surplus lands act declarations on city-owned properties to allow future development of those real estate assets via strategic partnerships or sales. In addition, a few key projects were completed or initiated during the year, notably the completion of the Downtown Gourmet Parking Lot – 140 surface parking spaces with electric vehicle charging infrastructure - \$2.3 million budget, completion of FY22 Citywide Pavement Rehabilitation Project – \$4.5 million budget, and award of FY23 Citywide Pavement Rehabilitation Project - \$6.7 million budget. The City also took action to commence the design of an indoor, two-rink ice facility at the Gilroy Sports Park in partnership with Sharks Sports and Entertainment LLC.

The City's capital improvement plan (CIP) provides a 5-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, focusing on significant utilities infrastructure improvements based on the updated 2023 water and wastewater master plan.

Long-term Financial Planning

General Fund

The City's general fund balance as of June 30, 2023, was \$41.9 million. The City Council adopted a general fund reserve policy of retaining a general fund 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 prepares a five-year forecast for the fund, which projects the operating revenues and expenditures. The current forecast projects the City to maintain reserve requirements for several years. However, there are signs of an overall slowdown in the economy as it returns to normalcy, which may require adjustments in future budget cycles to ensure the fund remains structurally balanced. The City adopted its FY24 and FY25 budget on June 5, 2023. As previously mentioned, the City accumulated healthy reserve levels over the past two years. As such, the adopted FY24 and FY25 budgets were crafted in a manner that uses the accumulated fund balances and cautiously plans for new service level enhancements. The budget includes significant one-time investments for street pavement rehabilitation, critical public safety equipment, improvements to various public facilities, and long-term master planning initiatives.

Enterprise Fund

The total net position of the Sewer Fund increased by \$1.2 million, to \$106.2 million from the prior fiscal year. The unrestricted net position of the Sewer Fund at the end of the year amounted to \$104.3 million, an increase of \$19.0 million, or about 22%, from the prior year, offset by a decrease in net investment in capital assets of approximately \$17.8 million mainly 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 \$2.6 million, to \$80.2 million from the prior fiscal year. The unrestricted net position of the Water Fund at the end of the year amounted to \$26.0 million, an increase of \$2.0 million, or about 8%, from the prior year. The net investment in capital assets increased by \$0.6 million to \$54.2 million.

In October 2023, the City Council adopted the comprehensive water and sewer utilities rate study and enacted the recommended rate adjustments. The study includes 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. Both utilities are projected to maintain respective reserves for the five-year rate adjustment period.

Award and Acknowledgements

The Government Finance Officers Association (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, 2023. This was the nineteenth consecutive year that the City achieved this prestigious award. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

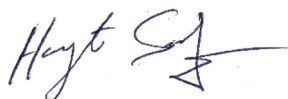
A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our FY23 ACFR meets the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and are submitting the FY23 ACFR to the GFOA to determine its eligibility 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. 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 for maintaining the highest standards of professionalism in managing Gilroy's finances and prioritizing financial sustainability.

Respectfully submitted,



Jimmy Forbis
City Administrator



Harjot Sangha
Finance Director

City of Gilroy
Elected Officials & City Staff
 As of Fiscal Year-End - June 30, 2023

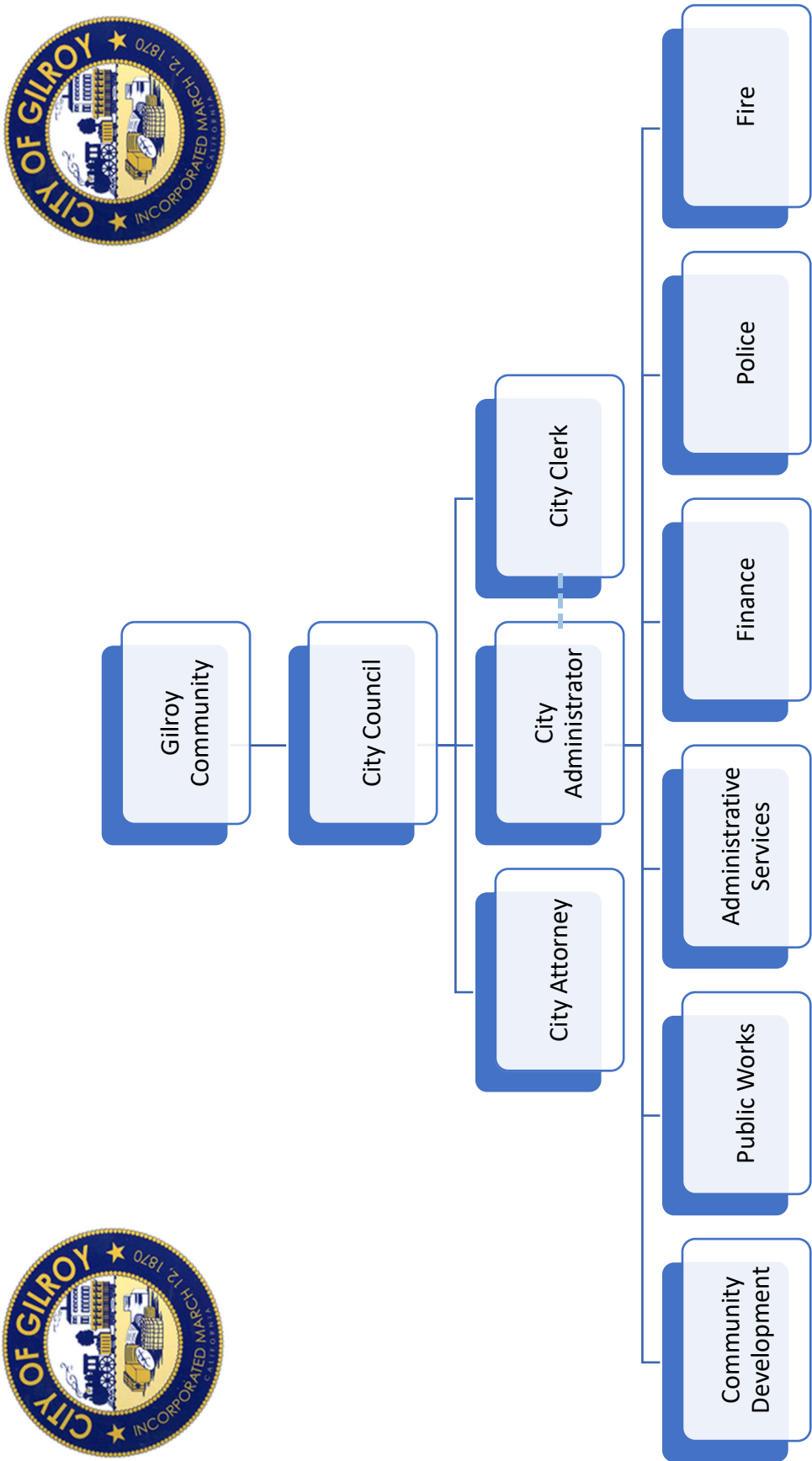
ELECTED OFFICIALS

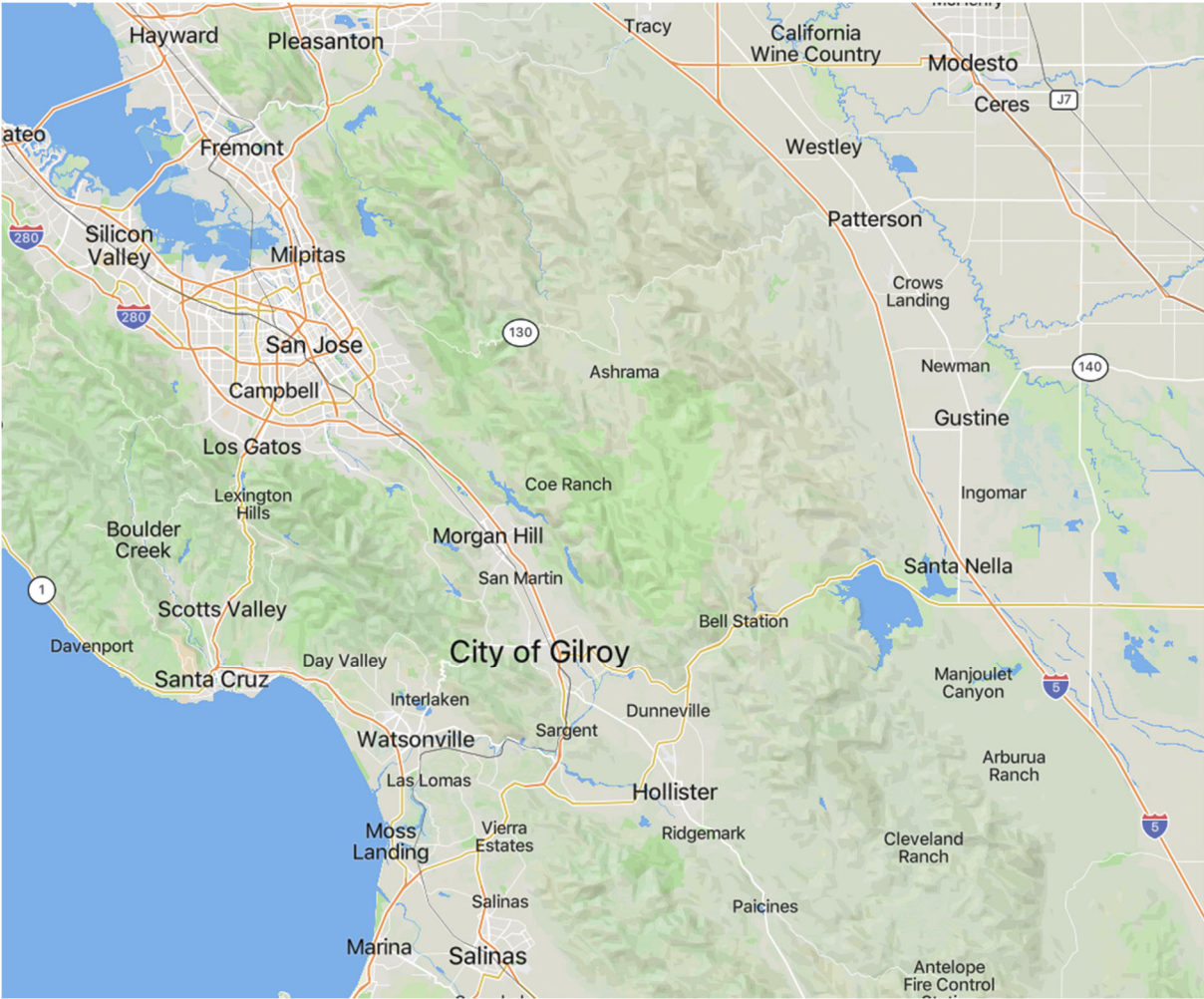
Marie Blankley	Mayor
Dion Bracco	Mayor Pro Tempore
Rebeca Armendariz	Council Member
Tom Cline	Council Member
Zach Hilton	Council Member
Carol Marques	Council Member
Fred Tovar	Council Member

EXECUTIVE STAFF

Jimmy Forbis	City Administrator
Sharon Goei	Community Development Director
Harjot Sangha	Finance Director
Jim Wyatt	Fire Chief
LeeAnn McPhillips	Assistant City Administrator/Administrative Services and Human Resources Director
Pedro Espinoza	Police Chief
Karl Bjarke	Interim Public Works Director
Bryce Atkins	Assistant to the City Administrator

ORGANIZATION CHART







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, 2022

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION





200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

INDEPENDENT AUDITORS' 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 accompanying 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, 2023, 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 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, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Implementation of New GASB Pronouncements

As discussed in Note 1 and Note 19 to the basic financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription Based Information Technology Arrangements* during the year. The implementation of GASB Statement No. 96 requires the City to record subscription assets and corresponding subscription liabilities for all SBITAs with a noncancellable term over one year. As a result of the implementation, the City reported a restatement of its net position in the amount of \$377,925. Our opinion is not modified with respect to this matter.

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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.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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.

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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, the Schedules of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, 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 Nonmajor Fund Financial Statements and Budgetary Comparison Schedules 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 auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules 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 auditors' 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024, 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.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
February 20, 2024

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City of Gilroy
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

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, 2023 (FY23). 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 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 about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL HIGHLIGHTS

- During FY23, 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 \$8.5 million to \$381.8 million. Of the total net position, \$100.7 million, or about 26%, remains unrestricted, which can be utilized for future spending or obligations, and the majority of the remaining, about 54%, consists of net investment in capital assets. Additional details can be found in the Statement of Net Position on page 20.
- Total citywide revenues were \$113.3 million, a net decrease of \$10.5 million from the prior fiscal year. The net decrease in revenue is primarily in the operating and capital grants within the governmental activities, offset by increases in tax revenues (property and utility user taxes), and investment income. It is important to note that the operating and capital grants and contributions were notably higher in the prior fiscal year due to the American Rescue Plan Act (ARPA) funding the City received, and increased development related capital contributions in the form of development impact fees.
- Total citywide expenses were \$105.2 million, a net increase of \$7.4 million from the prior fiscal year. The increases were primarily in public safety and public works operations.
- As of June 30, 2023, the City's governmental funds reported a combined ending fund balance of \$115.5 million, an increase of 4%, or \$4.4 million, from the prior fiscal year.
- The fund balance in the City's General Fund increased by \$4.0 million to \$41.9 million, primarily from increases in tax revenues (property and utility user), charges for services, and investment income. During FY23, the General Fund had an excess of revenues over expenditures of \$3.6 million, excluding transfers.
- Actual revenues, excluding transfers, in the General Fund were \$65.7 million, \$2.3 million better than the final budget, primarily due to increased revenues from taxes, charges for services, and better than projected investment income attributed to the rapid increase in interest rate environment during the fiscal year.
- Actual expenditures, excluding transfers, in the General Fund were \$62.1 million, \$3.5 million less than the final budget, primarily related to capital outlay and additional operational savings across all departments.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

- As of June 30, 2023, the City had \$105.4 million in long-term debt, a net decrease of \$6.3 million from the prior fiscal year. Of the total, governmental activities long-term debt portion is \$52.9 million, consisting of \$23.5 million in general obligation bonds, \$28.2 million in lease revenue bonds, a loan payable of \$0.7 million, and subscriptions payable of \$0.6 million. The remaining \$52.5 million is for business-type activities in the form of sewer revenue bonds. During the fiscal year, the City refinanced its Lease Revenue Bonds 2013 series in the amount of \$14.6 million. The refunding resulted in \$2.6 million savings in future debt service payments, with an economic gain of \$2.1 million.
- The City's net pension liabilities increased by \$43 million to \$103.7 million. The increase in the liabilities was primarily driven by negative investment earnings and higher interest costs on total pension liability which decreased the plans' fiduciary net position during the measurement year. As a result, the deferred outflows related to pension for governmental activities increased by \$17.0 million, and deferred inflows decreased by \$20.0 million. See Note 11 in the Notes to Basic Financial Statements for details.
- The City's other post-employment benefit (OPEB) liabilities decreased by \$3.5 million to \$14.5 million. The decrease in the liabilities was primarily driven by the change in the assumption of a higher discount rate. See Note 12 in the Notes to Basic Financial Statements for details.
- The City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), effective fiscal year ended June 30, 2023. See Note 10 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 parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- 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 sewer 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 that explain some of 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.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

Figure A-1

Major Features of the City's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
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

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

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 revenues finance most of these activities.
- Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of the services accounted for in these funds.

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. 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.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

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:

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Cash and investments	\$ 136.7	\$ 131.6	\$ 79.6	\$ 91.1	\$ 216.3	\$ 222.7
Other assets	18.7	17.9	93.7	77.9	112.4	95.8
Capital assets	202.4	202.8	83.1	84.0	285.5	286.8
Total Assets	357.8	352.3	256.4	253.0	614.2	605.3
Deferred outflows						
Related to pension	28.7	11.6	3.3	1.3	32.0	12.9
Related to OPEB	2.2	2.6	0.4	0.5	2.6	3.1
Total Deferred Outflows	30.9	14.2	3.7	1.8	34.6	16.0
Liabilities						
Other Liabilities	18.4	15.3	6.1	5.2	24.5	20.5
Long term liabilities	161.8	130.2	66.4	63.5	228.2	193.7
Total Liabilities	180.2	145.5	72.5	68.7	252.7	214.2
Deferred inflows						
Deferred gain on refunding	0.5	-	-	-	0.5	-
Related to pension	1.1	21.1	0.2	3.0	1.3	24.1
Related to OPEB	5.1	2.7	1.0	0.5	6.1	3.2
Related to leases	6.3	6.6	-	-	6.3	6.6
Total Deferred Inflows	13.0	30.4	1.2	3.5	14.2	33.9
Net Position						
Net investment in capital assets	149.5	147.1	56.1	73.4	205.6	220.5
Restricted	73.0	71.6	-	-	73.0	71.6
Unrestricted (deficit)	(27.0)	(28.0)	130.3	109.2	103.3	81.2
Total Net Position	\$ 195.5	\$ 190.7	\$ 186.4	\$ 182.6	\$ 381.9	\$ 373.3

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

Figure 2: A summary of the government-wide *statement of activities* follows:

Changes in Net Position (In millions)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
<u>Program revenues:</u>						
Charges for services	\$ 10.6	\$ 10.3	\$ 26.3	\$ 26.9	\$ 36.9	\$ 37.2
Operating grants and contributions	8.7	15.5	-	0.4	8.7	15.9
Capital grants and contributions	7.2	18.2	0.6	0.6	7.8	18.8
<u>General revenues:</u>						
Taxes:			-	-	-	-
Property taxes	21.6	20.3	-	-	21.6	20.3
Sales taxes	22.9	23.2	-	-	22.9	23.2
Transient occupancy taxes	1.8	1.5	-	-	1.8	1.5
Franchise taxes	2.2	1.9	-	-	2.2	1.9
Utility user taxes	6.6	5.5	-	-	6.6	5.5
Real property transfer taxes	0.4	0.6	-	-	0.4	0.6
Investment income/(loss)	3.4	(0.4)	(0.4)	(4.0)	3.0	(4.4)
Miscellaneous income/(loss)	1.4	3.3	-	-	1.4	3.3
Total revenues	86.8	99.9	26.5	23.9	113.3	123.8
Expenses:						
General government	10.4	10.2	-	-	10.4	10.2
Public safety	42.8	38.7	-	-	42.8	38.7
Public works	17.3	13.8	-	-	17.3	13.8
Community development	7.0	7.7	-	-	7.0	7.7
Recreation services	1.8	1.6	-	-	1.8	1.6
Interest expense	2.2	2.1	-	-	2.2	2.1
Water	-	-	11.6	10.9	11.6	10.9
Sewer	-	-	12.1	12.7	12.1	12.7
Total expenses	81.5	74.1	23.7	23.6	105.2	97.7
Change in net position before transfers	5.3	25.8	2.8	0.3	8.1	26.1
Transfers	(0.9)	(0.1)	0.9	0.1	-	-
Change in net position	4.4	25.7	3.7	0.4	8.1	26.1
Net position, beginning of year as restated (Note 19)	191.1	164.9	182.6	182.3	373.7	347.2
Net position, end of year	\$ 195.5	\$ 190.7	\$ 186.4	\$ 182.6	\$ 381.9	\$ 373.3

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.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

Governmental Activities: Figure 1 – Statement of Net Position illustrates the total net position increased by \$4.4 million compared to the prior year, primarily in net investment in capital assets. Total asset's increased by \$5.5 million in the form of cash and investments. Total liabilities increased by \$34.7 million, attributable to the increase in pension liabilities driven by negative investment earnings and higher interest costs on the total pension liability. Figure 2 – Statement of Activities illustrates the program level revenues and expenses for the fiscal year. Total revenues for governmental activities were \$86.8 million, about \$13.1 million, or 13%, lower compared to the prior year primarily in the operating and capital grants and contributions. Revenues were notably higher in the prior fiscal year due to the one-time American Rescue Plan Act (ARPA) funding the City received, approximately \$10.3 million, and increased development related capital contributions in the form of development impact fees. Tax revenues had a net increase of \$2.5 million from prior year, primarily in property, a result of increases in assessed values and new developments added to the assessed roll, and utility user tax (notably in energy segment to include gas and electricity), a result of rise in energy prices. Total expenses for governmental activities were \$81.5 million, about \$7.4 million, or 10%, more compared to the prior fiscal year. The increase in expenses was primarily in the public safety (police and fire) and public works programs.

Business-type Activities: Figure 1 – Statement of Net Position illustrates the total net position for business-type activities increased by \$3.8 million compared to the prior fiscal year, with a notable increase in unrestricted net position, offset by a decrease in net investment in capital assets related to investments in the Discretely presented Component Unit (DCU). Total assets increased by \$3.5 million, notably in the other assets category, offset by a decrease in cash and investments. 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 complete by 2025, thus the decrease in cash and investment for draws against the bond proceeds, offset by increase in other assets including City's investment in the plant. Total liabilities increased by \$3.8 million, attributable to increase in the pension liabilities. Figure 2 - Statement of Activities illustrates the total revenues for business-type activities, excluding transfers, were \$26.5 million, a net increase of \$2.6 million from prior year, notably from investment income driven by the rapid increase in the interest rate environment during the fiscal year. Total expenses for business-type activities were \$23.7 million, about \$0.3 million more than the prior fiscal 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, Parking Management, 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 FY23, the total fund balance of the general fund (as presented in the aforementioned manner) was \$41.9 million consisting of \$33.2 million in unassigned fund balance, \$6.2 million in committed balance for economic reserves pursuant to the Council adopted General Fund reserve policy, and \$2.5 million in restricted fund balance set aside in a Section 115 trust to prefund pension liabilities.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

Revenues decreased between the years ended June 30, 2022 and June 30, 2023 by \$7.6 million, primarily in the intergovernmental revenues (one-time ARPA funds received in prior fiscal year), offset by an overall increases in taxes (property and utility user), charges for services, and investment income. Property taxes increased by \$1.3 million compared to prior year, or about 7%, a result of increases in assessed values and new developments added to the assessed roll and additional excess Educational Revenue Augmentation Fund (ERFAF) distribution. Utility user tax increased by \$1.1 million, compared to prior year, or about 20%, primarily in the energy segment of the tax base (gas and electricity) which had significant increases in prices due to inflationary factors.

Expenditures increased between the years ended June 30, 2022, and June 30, 2023 by \$6.4 million, notably in the general government, public safety, and capital outlay. The primary category of expenditures in the General Fund is salaries and benefits. At the beginning of FY23, the City approved multi-year memorandum of understanding with various collective bargaining units with a focus on recruitment and retention in a competitive labor market. The City also made capital investments in the street rehabilitation program from the General Fund.

The **Public Facilities Impact Capital Projects Fund** has a total fund deficit of \$1.1 million at the end of FY23, a decrease of \$1.1 million from prior fiscal year. Excluding transfers, the revenues exceeded the expenditures by \$2.1 million during the year. Transfers out exceeded transfers in by \$3.1 million. The primary purposes of transfers out were to support various debt instruments and repayment of an interfund loan. In February 2008, this fund borrowed \$13.7 million from several funds for the purchase of Gilroy Gardens. See Note 5, in the *Notes to the Basic Financial Statements* for additional information. The interfund loan balance outstanding at June 30, 2023 is \$4.0 million.

Major Enterprise Funds. The City provides water and sewer utility services to the Gilroy community and operates both as enterprises.

The total net position of the **Sewer Fund** increased by \$1.2 million, to \$106.2 million from the prior fiscal year. The unrestricted net position of the Sewer Fund at the end of the year amounted to \$104.3 million, an increase of \$19.0 million, or about 22%, from the prior year, offset by a decrease in net investment in capital assets of about \$17.8 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 operating revenues and operating expenditures for the Sewer Fund were \$13.0 million and 10.7 million, respectively, netting \$2.3 million in operating income for the year. Total nonoperating loss was \$2.4 million attributed to interest expense and the fund's share of the net loss on the DCU related to depreciation. Transfers in exceeded transfers out by \$1.2 million, which were primarily to support debt obligations.

The total net position of the **Water Fund** increased by \$2.6 million, to \$80.2 million from the prior fiscal year. The unrestricted net position of the Water Fund at the end of the year amounted to \$26.0 million, an increase of \$2.0 million, or about 8%, from the prior year. The net investment in capital assets increased by \$0.6 million to \$54.2 million. The total operating revenues and operating expenditures for the Water Fund were \$13.3 million and 11.6 million, respectively, netting \$1.7 million in operating income for the year. Total nonoperating income was \$0.7 million, primarily from investment earnings. The fund received \$0.6 million in capital contributions in the form of donated infrastructure from developments, off set by a transfer out of \$0.4 million, for a net \$0.2 million increase from capital contributions.

The last rate increases for both utilities were implemented in the 2019. 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 on the next page illustrates the average single-family monthly water (8,300 gallon consumption) and fixed monthly sewer charge for the five-year period.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

Average Single-Family Water and Sewer Utility Bill					
	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028
Water	\$ 61.13	\$ 64.80	\$ 68.69	\$ 72.81	\$ 77.18
Sewer	51.07	53.11	55.24	57.45	59.74
Total Bill	\$ 112.20	\$ 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 \$63.4 million. The actual operating revenues, excluding transfers, of the General Fund were \$65.7 million, \$2.3 million more than the final budget, from an overall increase in taxes (property and utility taxes), charges for services, and investment earnings.

The final budgeted operating expenditures, excluding transfers, of the General Fund were \$65.6 million. The actual operating expenditures, excluding transfers, of the General Fund were \$62.1 million, approximately \$3.5 million less than the final budget. Notable savings were capital outlay, approximately \$2.1 million, related to streets and sidewalk rehabilitation, and general operational savings across all departments.

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 the general fund expenditures for the given year.

During FY23, the City adequately maintained the Unrestricted General Fund Reserves and the Economic Stability Reserves as required by the policy.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

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 FY23. 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)					
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>
Land	\$ 21.3	\$ 21.3	\$ -	\$ -	\$ 21.3	\$ 21.3
Construction in progress	13.2	5.7	0.1	0.1	13.3	5.8
Buildings and improvements	72.6	75.6	-	-	72.6	75.6
Equipment and furniture	1.5	2.0	-	-	1.5	2.0
IT equipment and software	1.2	0.5	-	-	1.2	0.5
Vehicle	4.1	3.8	0.2	0.2	4.3	4.0
Infrastructure	87.5	93.9	82.8	83.7	170.3	177.6
Subscription assets	1.0	1.3	-	-	1.0	1.3
Total	\$ 202.4	\$ 204.1	\$ 83.1	\$ 84.0	\$ 285.5	\$ 288.1

As of June 30, 2023, the City's capital assets, net of accumulated depreciation and amortization, for both the governmental and business-type activities, amounted to \$285.5 million, a net decrease of \$2.6 million primarily a result of depreciation and amortization.

Additional information on the City's capital assets can be found in *Note 7 of the Basic Financial Statements*.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

LONG-TERM DEBT

	(in millions)	
	2023	2022
Governmental Activities:		
Loan Payable	\$ 0.6	\$ 0.7
General Obligation Bonds	23.5	24.6
Refunding Lease Revenue Bonds	28.2	31.3
Subscriptions payable	0.6	-
Total Governmental Activities	\$ 52.9	\$ 56.6
Business-Type Activities:		
Revenue Bonds	52.5	55.1
Total Business-Type Activities	\$ 52.5	\$ 55.1
Total Long-Term Debt	\$ 105.4	\$ 111.7

As of June 30, 2023, the City's governmental activities had bonded debt outstanding of \$52.9 million, including \$2.1 million of unamortized premium. Of this amount, \$23.5 million represents general obligation bonds secured solely by specified revenue sources, \$28.2 million represents lease refunding revenue bonds, and \$0.6 million represents streetlights related loan payable. During the fiscal year, the City refinanced its Lease Revenue Bonds 2013 series in the amount of \$14.6 million. The refunding resulted in \$2.6 million savings in future debt service payments, with an economic gain of \$2.1 million.

As of June 30, 2023, the City's business-type activities had \$52.5 million bonded debt outstanding, consisting of \$5.4 million of unamortized premium, and \$47.1 million of 2021 wastewater revenue refunding bonds. During the year, the 2010 wastewater revenue bonds fully matured thus were retired.

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



GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Gilroy
Statement of Net Position
June 30, 2023

	Primary Government			Discrete Component Unit (DCU)
	Governmental Activities	Business-Type Activities	Total	South County Regional Wastewater Authority
ASSETS				
Current assets:				
Cash and investments	\$ 134,234,370	\$ 54,125,363	\$ 188,359,733	\$ 11,207,900
Cash and investments with fiscal agent	2,535,176	25,470,094	28,005,270	-
Accounts receivable, net	948,474	3,060,200	4,008,674	217,930
Due from other governments	5,219,607	-	5,219,607	3,936,322
Prepaid items	134,351	12,200	146,551	-
Interest receivable	2,082,457	-	2,082,457	106
Loans receivable	3,043,638	-	3,043,638	-
Lease receivable - current	256,201	-	256,201	-
Due from primary government	-	-	-	3,889,410
Total current assets	148,454,274	82,667,857	231,122,131	19,251,668
Noncurrent assets:				
Land held for resale	706,754	-	706,754	-
Equity investment in DCU	-	90,606,337	90,606,337	-
Lease receivable - noncurrent	6,186,556	-	6,186,556	-
Capital assets - nondepreciable	34,542,512	108,139	34,650,651	77,576,425
Capital assets - depreciable/amortizable, net	167,883,221	83,018,468	250,901,689	58,804,203
Total noncurrent assets	209,319,043	173,732,944	383,051,987	136,380,628
Total assets	357,773,317	256,400,801	614,174,118	155,632,296
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	28,654,962	3,302,164	31,957,126	-
Deferred outflows of resources related to OPEB	2,209,539	433,450	2,642,989	-
Total deferred outflows of resources	30,864,501	3,735,614	34,600,115	-

City of Gilroy
Statement of Net Position (Continued)
June 30, 2023

	Primary Government			Discrete Component Unit (DCU)
	Governmental Activities	Business-Type Activities	Total	South County Regional Wastewater Authority
LIABILITIES				
Current liabilities:				
Accounts payable	4,159,690	518,594	4,678,284	7,102,883
Accrued payroll and benefits	3,535,084	280,216	3,815,300	15,108
Deposits payable	3,983,548	25,000	4,008,548	-
Interest payable	525,445	638,958	1,164,403	-
Unearned revenues	670,673	-	670,673	-
Due to DCU	-	3,889,410	3,889,410	-
Compensated absences, due within one year	193,723	28,035	221,758	2,115
Claims payable, due within one year	1,682,152	-	1,682,152	-
Long-term debt, due within one year	3,562,430	725,000	4,287,430	-
Total current liabilities	18,312,745	6,105,213	24,417,958	7,120,106
Noncurrent liabilities:				
Compensated absences, due in more than one year	1,743,510	252,316	1,995,826	19,035
Claims payable, due in more than one year	6,964,768	-	6,964,768	-
Long-term debt, due in more than one year	49,381,573	51,769,265	101,150,838	-
Aggregate net pension liabilities	91,683,383	12,050,787	103,734,170	-
Total OPEB liabilities	12,119,260	2,377,462	14,496,722	-
Total noncurrent liabilities	161,892,494	66,449,830	228,342,324	19,035
Total liabilities	180,205,239	72,555,043	252,760,282	7,139,141
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	509,284	-	509,284	-
Deferred lease-related items	6,318,655	-	6,318,655	32,679
Deferred pension-related items	1,120,520	211,315	1,331,835	-
Deferred OPEB-related items	5,026,401	986,040	6,012,441	-
Total deferred inflows of resources	12,974,860	1,197,355	14,172,215	32,679
NET POSITION				
Net investment in capital assets	149,484,869	56,102,436	205,587,305	136,380,628
Restricted for:				
Minority interest of DCU	-	-	-	57,854,139
Public Agency Retirement Services (PARS)	2,506,565	-	2,506,565	-
Public safety	930,460	-	930,460	-
Community development	13,324,704	-	13,324,704	-
Public works	57,098,436	-	57,098,436	-
Debt service	1,659,894	-	1,659,894	-
Total restricted	75,520,059	-	75,520,059	57,854,139
Unrestricted (deficit)	(29,547,209)	130,281,581	100,734,372	(45,774,291)
Total net position	\$ 195,457,719	\$ 186,384,017	\$ 381,841,736	\$ 148,460,476

City of Gilroy
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues		
		Charges for	Operating Grants	Capital Grants
	Expenses	Services	and Contributions	and Contributions
Functions/Programs				
Primary Government (PG)				
Governmental Activities:				
General government	\$ 10,440,465	\$ 4,645,730	\$ 737,581	\$ -
Public safety	42,789,395	713,565	1,344,843	-
Community development	6,999,373	3,513,190	1,965,448	-
Public works	17,285,317	1,122,432	4,635,560	7,203,431
Recreation services	1,755,454	561,859	-	-
Interest	2,199,547	-	-	-
Total Governmental Activities	81,469,551	10,556,776	8,683,432	7,203,431
Business-Type Activities:				
Sewer	12,134,168	13,037,892	-	-
Water	11,574,875	13,286,485	47,697	561,591
Total Business-Type Activities	23,709,043	26,324,377	47,697	561,591
Total Primary Government	\$ 105,178,594	\$ 36,881,153	\$ 8,731,129	\$ 7,765,022
Discretely Presented Component Unit (DCU)				
South County Regional Wastewater Authority	\$ 12,620,571	\$ 688,372	\$ 8,565,098	\$ 30,964,183

City of Gilroy
Statement of Activities (Continued)
For the Year Ended June 30, 2023

	Net (Expense) Revenue and Changes in Net Position			Discrete Component Unit (DCU)
	Governmental Activities	Business-Type Activities	Total	South County Regional Wastewater Authority
Functions/Programs				
Primary Government (PG)				
Governmental Activities:				
General government	\$ (5,057,154)	\$ -	\$ (5,057,154)	\$ -
Public safety	(40,730,987)	-	(40,730,987)	-
Community development	(1,520,735)	-	(1,520,735)	-
Public works	(4,323,894)	-	(4,323,894)	-
Recreation services	(1,193,595)	-	(1,193,595)	-
Interest	(2,199,547)	-	(2,199,547)	-
Total Governmental Activities	(55,025,912)	-	(55,025,912)	-
Business-Type Activities:				
Sewer	-	903,724	903,724	-
Water	-	2,320,898	2,320,898	-
Total Business-Type Activities	-	3,224,622	3,224,622	-
Total Primary Government	(55,025,912)	3,224,622	(51,801,290)	-
Discretely Presented Component Unit (DCU)				
South County Regional Wastewater Authority	-	-	-	27,597,082
General Revenues:				
Taxes:				
Property taxes	21,600,130	-	21,600,130	-
Sales taxes	22,936,208	-	22,936,208	-
Transient occupancy taxes	1,754,615	-	1,754,615	-
Franchise taxes	2,198,150	-	2,198,150	-
Utility users tax	6,551,417	-	6,551,417	-
Real property transfer taxes	404,075	-	404,075	-
Investment income(loss)	3,438,121	(365,320)	3,072,801	276,765
Miscellaneous	1,417,790	6,586	1,424,376	-
Transfers	(878,113)	878,113	-	-
Total General Revenues	59,422,393	519,379	59,941,772	276,765
Changes in Net Position	4,396,481	3,744,001	8,140,482	27,873,847
Net Position - Beginning, as restated (Note 19)	191,061,238	182,640,016	373,701,254	120,586,629
Net Position - Ending	\$ 195,457,719	\$ 186,384,017	\$ 381,841,736	\$ 148,460,476



FUND FINANCIAL STATEMENTS



GOVERNMENTAL FUND FINANCIAL STATEMENTS



City of Gilroy
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Capital Projects Fund Public Facilities Impact	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 41,687,877	\$ 2,970,804	\$ 69,777,899	\$ 114,436,580
Receivables:				
Accounts	590,797	-	303,504	894,301
Due from other governments	4,761,994	-	457,613	5,219,607
Interest	1,158,641	-	922,354	2,080,995
Loans	-	-	3,043,638	3,043,638
Leases	5,692,308	-	-	5,692,308
Due from other funds	456,085	-	-	456,085
Advances from other funds	-	-	1,523,222	1,523,222
Prepaid items	23,750	-	-	23,750
Land held for resale	-	-	706,754	706,754
Restricted assets:				
Cash and investments with fiscal agents	2,532,036	-	3,140	2,535,176
Total assets	\$ 56,903,488	\$ 2,970,804	\$ 76,738,124	\$ 136,612,416
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,784,476	\$ 1,485	\$ 789,751	\$ 3,575,712
Accrued liabilities	1,877,001	-	59,273	1,936,274
Deposits payable	3,943,972	-	35,299	3,979,271
Unearned revenue	421,472	-	249,201	670,673
Due to other funds	300,761	-	155,324	456,085
Advances to other funds	-	4,019,735	-	4,019,735
Total liabilities	9,327,682	4,021,220	1,288,848	14,637,750
Deferred inflows of resources:				
Lease related	5,623,833	-	-	5,623,833
Unavailable revenues	-	-	860,105	860,105
Total deferred inflows of resources	5,623,833	-	860,105	6,483,938
Fund balances (deficit):				
Nonspendable	23,750	-	-	23,750
Restricted	2,532,036	-	71,140,553	73,672,589
Committed	6,205,317	-	-	6,205,317
Assigned	-	-	3,603,942	3,603,942
Unassigned (deficit)	33,190,870	(1,050,416)	(155,324)	31,985,130
Total fund balances (deficit)	41,951,973	(1,050,416)	74,589,171	115,490,728
Total liabilities, deferred inflows of resources, and fund balances	\$ 56,903,488	\$ 2,970,804	\$ 76,738,124	\$ 136,612,416

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City of Gilroy
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds	\$	115,490,728
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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 \$2,899,734 reported in Internal Service Funds	\$ 31,642,778	
Depreciable/amortizable, net of \$6,492,417 reported in Internal Service Funds	161,390,804	193,033,582

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	\$ (49,629,176)	
Subscription liabilities, net of \$625,093 reported in Internal Service Funds	-	
Premium on bonds payable	(2,109,609)	
Unamortized deferred charges on refunding	(509,284)	
Loans payable	(580,125)	
Interest payable, net of \$5,447 reported in Internal Service Funds	(519,998)	
Compensated absences, net of \$77,983 reported in Internal Service Funds	(1,859,250)	(55,207,442)

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:

Pension related deferred outflows of resources	\$ 28,654,962	
Aggregate net pension liability	(91,683,383)	
Pension related deferred inflows of resources	(1,120,520)	(64,148,941)

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:

OPEB related deferred outflows of resources	\$ 2,209,539	
Aggregate net OPEB liability	(12,119,260)	
OPEB related deferred inflows of resources	(5,026,401)	(14,936,122)

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.

860,105

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.

20,365,809

Net Position of Governmental Activities

\$ 195,457,719

City of Gilroy
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Capital Projects Fund Public Facilities Impact	Other Governmental Funds	Total
Revenues:				
Taxes	\$ 51,164,140	\$ -	\$ 2,737,595	\$ 53,901,735
Intergovernmental	1,257,731	-	8,530,523	9,788,254
Charges for services	7,621,129	-	-	7,621,129
Developer impact fees	-	2,073,785	4,948,116	7,021,901
Licenses and permits	2,696,318	-	-	2,696,318
Fines and forfeitures	255,359	-	-	255,359
Investment income (loss)	1,813,640	60,303	1,220,154	3,094,097
Miscellaneous	901,169	-	1,494,365	2,395,534
Total revenues	65,709,486	2,134,088	18,930,753	86,774,327
Expenditures:				
Current:				
General government	9,321,641	-	13,413	9,335,054
Public safety	39,386,899	-	1,160,311	40,547,210
Recreation services	1,755,215	-	-	1,755,215
Community development	4,695,567	-	986,613	5,682,180
Public works	5,296,285	8,928	768,638	6,073,851
Capital outlay	1,575,059	-	10,571,845	12,146,904
Debt service:				
Principal retirement	22,500	-	2,938,964	2,961,464
Interest and fiscal charges	-	58,858	2,038,287	2,097,145
Bond issuance cost	-	-	169,268	169,268
Total expenditures	62,053,166	67,786	18,647,339	80,768,291
Excess of revenues over expenditures	3,656,320	2,066,302	283,414	6,006,036
Other financing sources (uses):				
Issuance of debt	-	-	14,587,831	14,587,831
Payment to refunded bond escrow	-	-	(15,352,976)	(15,352,976)
Transfers in	2,579,508	40,763	3,705,026	6,325,297
Transfers out	(2,189,571)	(3,188,031)	(1,825,808)	(7,203,410)
Total other financing sources (uses)	389,937	(3,147,268)	1,114,073	(1,643,258)
Net change in fund balances	4,046,257	(1,080,966)	1,397,487	4,362,778
Fund balances(deficit):				
Beginning of year	37,905,716	30,550	73,191,684	111,127,950
End of year	\$ 41,951,973	\$ (1,050,416)	\$ 74,589,171	\$ 115,490,728

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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 4,362,778
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 funds.	
Capital outlay, net of \$2,200,956 reported in Internal Service Fund	\$ 8,615,696
Depreciation and amortization, net of \$1,199,705 reported in Internal Service Funds	(10,809,339)
Net effect on disposal of capital assets	<u>(414,264)</u>
	(2,607,907)
Net change in revenues that was considered unavailable in the governmental funds. These items have been reported as revenue in the Statement of Activities.	59,856
Deferred outflow related to the refunding gain is not a expenditure in the Statement of Activities, but is reported as a deferred outflow on the Government-Wide Statement of Net Position.	(509,284)
Principal repayment on long-term debt is not an expense in the Statement of Activities, but is considered an expenditure in governmental funds.	
Bonds payable	\$ 18,030,605
Subscription liabilities	22,500
Loans payable	<u>93,359</u>
	18,146,464
Bond proceeds on long-term debt is not a revenue in the Statement of Activities, but is considered an other financing resources in governmental funds	(14,587,831)
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.	(57,826)
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.	801,952
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. Compensated absences is net of \$2,598 reported in Internal Service Funds.	(106,317)
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.	(1,517,891)
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.	96,062
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.	<u>316,425</u>
Change in Net Position of Governmental Activities	<u><u>\$ 4,396,481</u></u>

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Gilroy
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 23,070,297	\$ 31,055,066	\$ 54,125,363	\$ 19,797,790
Cash and investments with fiscal agent	25,470,094	-	25,470,094	-
Accounts receivable	1,465,887	1,594,313	3,060,200	54,173
Interest receivable	-	-	-	1,462
Lease receivable - current	-	-	-	96,347
Prepaid items	6,100	6,100	12,200	110,601
Total current assets	50,012,378	32,655,479	82,667,857	20,060,373
Noncurrent assets:				
Advances to other funds	-	-	-	2,496,513
Equity investment in DCU	90,606,337	-	90,606,337	-
Lease receivable - noncurrent	-	-	-	654,102
Capital assets:				
Capital assets, not depreciated/amortizable	-	108,139	108,139	2,899,734
Capital assets, depreciated/amortizable, net	28,895,390	54,123,078	83,018,468	6,492,417
Total noncurrent assets	119,501,727	54,231,217	173,732,944	12,542,766
Total assets	169,514,105	86,886,696	256,400,801	32,603,139
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension	1,693,787	1,608,377	3,302,164	-
Deferred outflows of resources related to OPEB	208,796	224,654	433,450	-
Total deferred outflows of resources	1,902,583	1,833,031	3,735,614	-

City of Gilroy
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	22,433	496,161	518,594	583,978
Accrued liabilities	131,458	148,758	280,216	1,598,810
Deposits payable	-	25,000	25,000	4,277
Interest payable	638,958	-	638,958	5,447
Due to DCU	3,889,410	-	3,889,410	-
Compensated absences, current portion	14,658	13,377	28,035	7,798
Claims payable, current portion	-	-	-	1,682,152
Bonds payable, current portion	725,000	-	725,000	-
Subscription liabilities, current portion	-	-	-	311,213
Total current liabilities	5,421,917	683,296	6,105,213	4,193,675
Noncurrent liabilities:				
Compensated absences	131,922	120,394	252,316	70,185
Claims payable	-	-	-	6,964,768
Bonds payable	51,769,265	-	51,769,265	-
Subscription liabilities	-	-	-	313,880
Net pension liability	6,181,240	5,869,547	12,050,787	-
Net OPEB liability	1,145,241	1,232,221	2,377,462	-
Total noncurrent liabilities	59,227,668	7,222,162	66,449,830	7,348,833
Total liabilities	64,649,585	7,905,458	72,555,043	11,542,508
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to leases	-	-	-	694,822
Deferred inflows of resources related to pension	108,390	102,925	211,315	-
Deferred inflows of resources related to OPEB	474,983	511,057	986,040	-
Total deferred inflows of resources	583,373	613,982	1,197,355	694,822
NET POSITION				
Net investment in capital assets	1,871,219	54,231,217	56,102,436	9,392,151
Unrestricted	104,312,511	25,969,070	130,281,581	10,973,658
Total net position	\$ 106,183,730	\$ 80,200,287	\$ 186,384,017	\$ 20,365,809



City of Gilroy
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 13,037,892	\$ 13,286,485	\$ 26,324,377	\$ 11,567,760
Miscellaneous	-	6,586	6,586	520,467
TOTAL OPERATING REVENUES	13,037,892	13,293,071	26,330,963	12,088,227
OPERATING EXPENSES:				
Operations	7,535,006	8,516,647	16,051,653	7,739,282
Depreciation and amortization	1,511,887	1,419,650	2,931,537	1,199,705
Billing	924,907	884,298	1,809,205	-
Administration	775,649	754,280	1,529,929	246,197
Claims and judgments	2,295	-	2,295	597,649
Insurance premiums	-	-	-	2,313,195
TOTAL OPERATING EXPENSES	10,749,744	11,574,875	22,324,619	12,096,028
OPERATING INCOME (LOSS)	2,288,148	1,718,196	4,006,344	(7,801)
NONOPERATING REVENUES (EXPENSES):				
Investment income	825,083	605,084	1,430,167	344,096
Interest expense	(1,384,424)	-	(1,384,424)	(15,419)
Intergovernmental	-	47,697	47,697	-
Gain (loss) on disposal of capital assets	-	-	-	(4,451)
Share of DCU net loss	(1,795,487)	-	(1,795,487)	-
Total Nonoperating Income (Loss)	(2,354,828)	652,781	(1,702,047)	324,226
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(66,680)	2,370,977	2,304,297	316,425
TRANSFERS AND CAPITAL CONTRIBUTIONS:				
Transfers in	1,543,668	-	1,543,668	-
Transfers out	(311,862)	(353,693)	(665,555)	-
Capital contributions	-	561,591	561,591	-
TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	1,231,806	207,898	1,439,704	-
CHANGES IN NET POSITION	1,165,126	2,578,875	3,744,001	316,425
NET POSITION:				
Beginning of the year	105,018,604	77,621,412	182,640,016	20,049,384
End of the year	<u>\$ 106,183,730</u>	<u>\$ 80,200,287</u>	<u>\$ 186,384,017</u>	<u>\$ 20,365,809</u>

City of Gilroy
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities			Governmental Activities
			Total Enterprise Funds	Internal Service Funds
	Sewer	Water		
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 13,223,888	\$ 13,498,079	\$ 26,721,967	\$ 12,032,724
Cash paid to suppliers for goods and services	(6,700,799)	(6,765,815)	(13,466,614)	(8,132,530)
Cash paid to employees for services	(3,010,762)	(3,437,478)	(6,448,240)	(133,467)
Cash paid for insurance claims	-	-	-	(2,571,081)
Net Cash Provided by Operating Activities	3,512,327	3,294,786	6,807,113	1,195,646
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other governments	-	47,697	47,697	-
Cash received from (paid to) other funds	1,231,806	(353,693)	878,113	252,117
Contributions to DCU	(15,139,972)	-	(15,139,972)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(13,908,166)	(305,996)	(14,214,162)	252,117
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from issuance of debt	-	-	-	165,908
Acquisition of capital assets	(72,711)	(1,430,626)	(1,503,337)	(2,200,956)
Principal paid	(2,451,250)	(11,250)	(2,462,500)	(408,524)
Interest paid	(1,594,500)	-	(1,594,500)	(9,972)
Net Cash (Used in) Capital and Related Financing Activities	(4,118,461)	(1,441,876)	(5,560,337)	(2,407,091)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	825,083	605,084	1,430,167	343,380
Net Cash Provided by Investing Activities	825,083	605,084	1,430,167	343,380
Net Change In Cash and Cash Equivalents	(13,689,217)	2,151,998	(11,537,219)	(615,948)
CASH AND CASH EQUIVALENTS:				
Beginning of year	62,229,608	28,903,068	91,132,676	20,413,738
End of year	<u>\$ 48,540,391</u>	<u>\$ 31,055,066</u>	<u>\$ 79,595,457</u>	<u>\$ 19,797,790</u>
CASH AND CASH EQUIVALENTS:				
Cash and investments	\$ 23,070,297	\$ 31,055,066	\$ 54,125,363	\$ 19,797,790
Cash and investments with fiscal agent	25,470,094	-	25,470,094	-
Total cash and cash equivalents	<u>\$ 48,540,391</u>	<u>\$ 31,055,066</u>	<u>\$ 79,595,457</u>	<u>\$ 19,797,790</u>

City of Gilroy
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to				
Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 2,288,148	\$ 1,718,196	\$ 4,006,344	\$ (7,801)
Adjustments to reconcile to net cash provided by				
Operating activities:				
Depreciation and amortization	1,511,887	1,419,650	2,931,537	1,199,705
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	185,996	198,696	384,692	(30,591)
(Increase)/decrease in lease receivables	-	-	-	49,370
(Increase)/decrease in prepaid items	(6,100)	(6,100)	(12,200)	(24,926)
(Increase)/decrease in deferred outflows of resources related to pensions	(997,211)	(999,449)	(1,996,660)	-
(Increase)/decrease in deferred outflows of resources related to OPEB	57,820	38,825	96,645	-
Increase/(decrease) in accounts payable	(14,400)	(53,291)	(67,691)	71,411
Increase/(decrease) in accrued liabilities	(34,781)	(63,312)	(98,093)	73,252
Increase/(decrease) in deposits payable	-	6,312	6,312	1
Increase/(decrease) in compensated absences	33,653	13,880	47,533	(16,098)
Increase/(decrease) in claims payable	-	-	-	(44,364)
Increase/(decrease) in net pension liabilities	2,142,945	2,339,382	4,482,327	-
Increase/(decrease) in net OPEB liabilities	(386,869)	(281,865)	(668,734)	-
Increase/(decrease) in deferred inflows of resources related to lease related	-	-	-	(74,313)
Increase/(decrease) in deferred inflows of resources related to pensions	(1,471,651)	(1,278,303)	(2,749,954)	-
Increase/(decrease) in deferred inflows of resources related to OPEB	202,890	242,165	445,055	-
Net Cash Provided by Operating Activities	<u>\$ 3,512,327</u>	<u>\$ 3,294,786</u>	<u>\$ 6,807,113</u>	<u>\$ 1,195,646</u>
Noncash Financing, capital or Investing activities:				
City share of DCU net loss	\$ (1,795,487)	\$ -	\$ -	\$ -
Capital asset contributions	\$ -	\$ 561,591	\$ 561,591	\$ -



FIDUCIARY FUND FINANCIAL STATEMENTS



City of Gilroy
Statement of Fiduciary Net Position
Fiduciary Funds
As of June 30, 2023

	Custodial Funds
	<u> </u>
ASSETS	
Cash and investments	\$ 840,399
Cash and investments with fiscal agent	299,364
Accounts receivable	<u>9,549</u>
Total assets	<u>1,149,312</u>
 NET POSITION	
Restricted For:	
Individuals, organizations and other governments	<u>1,149,312</u>
Total net position	<u><u>\$ 1,149,312</u></u>

City of Gilroy
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Funds
ADDITIONS:	
Taxes	\$ 932,693
Investment income	15,273
Other income	58
Total additions	<u>948,024</u>
DEDUCTIONS:	
General administration	43,453
Payments on conduit bonds - principal	701,610
Payments on conduit bonds - interest	184,083
Total deductions	<u>929,146</u>
CHANGE IN NET POSITION	18,878
NET POSITION:	
Beginning of year	<u>1,130,434</u>
End of year	<u><u>\$ 1,149,312</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS



City of Gilroy
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For the Year Ended June 30, 2023

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City of Gilroy
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City of Gilroy
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Gilroy, California, (the “City”) have been prepared in conformity 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 accounting principles generally accepted in the United States of America, 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.

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 Facilities Financing 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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Description of the Reporting Entity (Continued)

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the reporting government as a whole, except for its fiduciary activities. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component.

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 and liabilities, 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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

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 three 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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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 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.

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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash and Investments (Continued)

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.

A statement of cash flows is presented for proprietary fund types. For purposes of reporting cash flows, the City considers all highly liquid investments with maturities of three months or less when purchased and cash and investments maintained in the City’s pool to be cash equivalents.

Disclosures for deposits and investment risks, as required and applicable, have been provided in Note 2:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk

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., non-current 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”.

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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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 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.

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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

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.

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 \$5,000 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.

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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

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 financial position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that applies to future periods and that, therefore, will not be recognized as an expense until that time. The City reports pension contributions after the measurement date and deferred losses related to pensions and OPEB in this category.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that applies to future periods and that, therefore, are not recognized as revenue until that time. The City reports lease related inflows, unavailable revenues and deferred gains related to pensions and OPEB in this category.

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.

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, primarily for American Rescue Plan Act funding, which have not yet been spent.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Compensated Absences

All full-time employees accumulate vacation benefits in varying annual amounts. Sick leave benefits accrue at the rate of one day per month for all full-time employees (except fire shift employees who accrue 12 hours of sick leave per month) regardless of their length of service to the City. Upon termination or retirement, employees are paid for all unused vacation time and overtime. No cash payment is made for unused sick leave upon termination or retirement.

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

If material, a proprietary fund liability is accrued for all leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year-end. All other amounts are recorded in the government-wide financial statements. These noncurrent amounts will be recorded as fund expenditures in the year in which they are paid or become due.

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, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2022
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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.

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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Fund Balances (Continued)

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.

T. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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.

Governmental Fund Financial Statements

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

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

U. 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 XIII A 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.

V. 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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

W. Implementation of New GASB Pronouncements

During fiscal year ended June 30, 2023, the City implemented the following new GASB Pronouncement:

GASB Statement No. 91 In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB Statement No. 91), to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 94 In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB Statement No. 94) to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 96 In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB Statement No. 96), to provide guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset- -an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation of this Statement had a moderate effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 99 - In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Statement is effective immediately for the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The Statement is effective for fiscal year years beginning after June 15, 2022 for requirements related to leases, PPPs, and SBITAS. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

X. New GASB Pronouncements

The City is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the City's fiscal year ending June 30, 2024.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

X. New GASB Pronouncements (Continued)

- In June 2022, 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. Application of this statement is effective for the City's fiscal year ending June 30, 2025.
- In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The statement also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City's fiscal year ending June 30, 2025. Earlier application is encouraged.

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, 2023 was \$13,481,631.

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.

C. Deficit Fund Balances/Net Position

The following funds contained a deficit fund balance/net position as of June 30, 2023:

Funds	Amount
Major Governmental Fund:	
Public Facilities Impact Capital Project Fund	\$ 1,050,416
Internal Service Fund:	
Workers' Compensation Fund	1,767,704
Nonmajor Funds:	
Downtown Beautification	155,324

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Stewardship, Compliance and Accountability (Continued)

C. Deficit Fund Balances/Net Position (Continued)

In the Government-Wide Financial Statements, the City had a deficit unrestricted net position at June 30, 2023 for its governmental activities of \$(27,040,644) of which, \$(91,683,383) and \$(12,119,260) were attributed to aggregate net pension liabilities and net other postemployment benefits liabilities, respectively.

D. Excess of Expenditure Over Appropriations

The following funds contained excess of expenditures over final appropriations for the year ended June 30, 2023:

Funds	Final Appropriations	Expenditures	Excess
Nonmajor Funds:			
Special Revenue Fund:			
Los Arroyos Fund	\$ 101,000	\$ 128,866	\$ (27,866)
Capital Project Fund:			
Traffic Impact Capital Projects Fund	3,955,605	4,040,372	(84,767)
Debt Service Funds:			
2013 Refunding Bond Debt Service Fund	1,848,756	1,866,894	(18,138)
Gilroy Community Library Fund	1,836,111	1,841,001	(4,890)

Note 3 – Cash and Investments

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. The City had the following cash and investments at June 30, 2023:

	Government-Wide Statement of Net Position			Statement of Fiduciary	
	Governmental Activities	Business-type Activities	Component Unit	Net Position	Total
Cash and investments	\$ 134,234,370	\$ 54,125,363	\$ 11,207,900	\$ 840,399	\$ 200,408,032
Cash and investment with fiscal agent	2,535,176	25,470,094	-	299,364	28,304,634
Total cash and investments	<u>\$ 136,769,546</u>	<u>\$ 79,595,457</u>	<u>\$ 11,207,900</u>	<u>\$ 1,139,763</u>	<u>\$ 228,712,666</u>

The City's cash and investments at June 30, 2023 in more detail:

Cash and cash equivalents:	
Demand deposits	\$ 5,334,399
Petty cash	4,955
Total cash and cash equivalents	<u>5,339,354</u>
Investments:	
Local Agency Investment Fund	133,966,263
U.S. Treasury Notes	61,102,415
Investments with Fiscal Agent:	
Local Agency Investment Fund	25,468,374
Money Market Mutual Fund	2,836,260
Total investments	<u>223,373,312</u>
Total cash and investments	<u>\$ 228,712,666</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

A. Demand Deposits

The carrying amount of the City's demand deposits were \$5,334,399 at June 30, 2023. Bank balances before reconciling items were \$5,424,034 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.

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
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, 2023, investments are reported at fair value. Investments in investment contracts are valued at cost and exempt from the fair value hierarchy. Investments that are measured at fair value using the net asset value (NAV) per share are not classified in the fair value hierarchy. The City values investments in money market mutual funds at NAV based on amortized cost. 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, 2023:

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

C. Fair Value Measurements (Continued)

Primary Government	Total	Level 1
U.S. Treasury Notes	\$ 61,102,415	\$ 61,102,415
Total Investments	\$ 61,102,415	\$ 61,102,415
Primary Government		
Investments measured at the net asset value (NAV)		
Local Agency Investment Fund		\$ 148,265,183
Money Market Mutual Funds		2,836,260
Total investments measured at the net asset value (NAV)		\$ 151,101,443
Component Unit		
Investments measured at the net asset value (NAV)		
Local Agency Investment Fund		\$ 11,169,454
Total investments measured at the net asset value (NAV)		\$ 11,169,454

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:

Investment Type	Total	Remaining Maturity (in Months)	
		12 Months or less	More than 12 Months
Local Agency Investment Fund	\$ 159,434,637	\$ 159,434,637	\$ -
U.S. Treasury Notes	61,102,415	38,674,950	22,427,465
Money Market Mutual Funds	2,836,260	2,836,260	-
Total	\$ 223,373,312	\$ 200,945,847	\$ 22,427,465

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
Local Agency Investment Fund	\$ 159,434,637	N/A
U.S. Treasury Notes	61,102,415	Aaa
Money Market Mutual Funds	2,836,260	N/A
Total	\$ 223,373,312	

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

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.

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 Pool

The City is a voluntary participant in the Local Agency Investment Fund ("LAIF") that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The City investments in LAIF at June 30, 2023 included a portion of pool funds invested in Structured Notes and Asset-Backed Securities.

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2023, the City and DCU had \$148,265,183 and \$11,169,454 invested in LAIF, respectively, which had invested 2.78% of the pool investment funds in Structured Notes and Asset-Backed Securities.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Loans Receivable

At June 30, 2023, loans receivable consisted of the following:

	Governmental Activities
Down payment assistance	\$ 1,465,977
Housing improvement to non-profits	450,000
Involuntary liens	131,345
Affordable housing development loans	790,000
Housing rehabilitation	206,316
Total loans receivable	<u>\$ 3,043,638</u>

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 amount due to and from other funds as of June 30, 2023:

	Due From Other Funds	
Due To Other Funds	General Fund	Total
Nonmajor Governmental Funds	\$ 456,085	\$ 456,085
Total	<u>\$ 456,085</u>	<u>\$ 456,085</u>

B. Advances to/from Other Funds

The following is a summary of advances to and from other funds as of June 30, 2023:

	Advances from Other Funds		
Advances to Other Funds	Nonmajor Governmental Funds	Internal Service Fund	Total
Public Facilities Impact Capital Projects Fund	\$ 1,523,222	\$ 2,496,513	\$ 4,019,735
Total	<u>\$ 1,523,222</u>	<u>\$ 2,496,513</u>	<u>\$ 4,019,735</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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 \$4,019,735 as of June 30, 2023.

C. Transfers

During the year ended June 30, 2023, the City had the following transfers:

	Transfers Out					Total
	General Fund ¹	Public Facilities Impact Capital Projects Fund ²	Nonmajor Governmental Funds ³	Sewer Enterprise Fund ⁴	Water Enterprise Fund ⁴	
Transfers In						
General Fund	\$ 1,750,900	\$ -	\$ 163,053	\$ 311,862	\$ 353,693	\$ 2,579,508
Public Facilities Impact Capital Projects Fund	40,763	-	-	-	-	40,763
Nonmajor Governmental Funds	397,908	3,188,031	119,087	-	-	3,705,026
Sewer Enterprise Fund	-	-	1,543,668	-	-	1,543,668
Total	<u>\$ 2,189,571</u>	<u>\$ 3,188,031</u>	<u>\$ 1,825,808</u>	<u>\$ 311,862</u>	<u>\$ 353,693</u>	<u>\$ 7,868,965</u>

¹General Fund support of certain capital projects, safety related grants, and IT services.

²Public Facilities Impact Capital Projects Fund supports various debt instruments.

³Other Governmental Funds support of grant personnel costs, debt retirements and sewer development project costs.

⁴Enterprise Fund transfers to the General Fund to support impact to local streets and roads costs and subsidize environmental costs.

D. Due to/from Component Unit

The following is a summary of due to and from the Authority as of June 30, 2023:

Due to component unit	South Regional Wastewater Authority
Sewer Enterprise Fund	\$ 3,889,410
	<u>\$ 3,889,410</u>

The amounts owed by the City to the Authority are primarily for outstanding operating and capital contributions at year end.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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 2 to 40 years. The interest rates used calculated the net present value of the lease receivable ranged from 1% to 1.5%.

For the fiscal year ended June 30, 2023, the City and DCU recognized \$360,226 and \$78,428 in lease revenue, respectively, and the outstanding net present value of the lease receivable amount is \$6,442,757 for the City.

Governmental Activities

A summary of changes in lease receivable for the governmental activities for the year ended June 30, 2023 is as follows:

Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts due within one year	Amounts due in more than one year
\$ 6,649,983	\$ 86,394	\$ (293,620)	\$ 6,442,757	\$ 256,201	\$ 6,186,556

At June 30, 2023, the required payments for these leases, including interest, and deferred inflow-lease related future revenue are:

	NPV lease receivables	Interest	Total lease payments	Year Ending June 30,	Deferred inflows of resources
2024	\$ 256,201	\$ 103,079	\$ 359,280	2024	\$ 320,035
2025	233,978	100,236	334,214	2025	279,845
2026	247,535	97,254	344,789	2026	279,845
2027	198,678	94,245	292,923	2027	220,565
2028	200,388	91,335	291,723	2028	220,565
2029 - 2033	880,084	413,187	1,293,271	2029 - 2033	1,102,825
2034 - 2038	616,955	356,625	973,580	2034 - 2038	701,200
2039 - 2043	671,375	302,205	973,580	2039 - 2043	701,200
2044 - 2048	730,595	242,985	973,580	2044 - 2048	701,200
2049 - 2053	795,038	178,542	973,580	2049 - 2053	701,200
2054 - 2058	865,166	108,414	973,580	2054 - 2058	701,200
2059 - 2062	746,764	32,100	778,864	2059 - 2062	388,975
Total	<u>\$ 6,442,757</u>	<u>\$ 2,120,207</u>	<u>\$ 8,562,964</u>	Total	<u>\$ 6,318,655</u>

Discretely Presented Component Unit

A summary of changes in lease receivable for the discretely presented component unit for the year ended June 30, 2023 is as follows:

Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts due within one year	Amounts due in more than one year
\$ 89,597	\$ -	\$ (89,597)	\$ -	\$ -	\$ -

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023:

	Balance July 1, 2022 as restated	Additions	Deletions	Transfers	Balance June 30, 2023
<i>Capital assets not being depreciated:</i>					
Land	\$ 21,334,900	\$ -	\$ -	\$ -	\$ 21,334,900
Construction in progress	5,733,926	8,111,015	(461,507)	(175,822)	13,207,612
Total capital assets not being depreciated	27,068,826	8,111,015	(461,507)	(175,822)	34,542,512
<i>Capital assets being depreciated:</i>					
Building and improvements	125,118,480	64,324	-	-	125,182,804
Equipment and furniture	11,291,870	-	-	-	11,291,870
IT equipment and software	2,821,187	605,613	-	175,822	3,602,622
Vehicle	13,660,148	986,502	(482,671)	-	14,163,979
Infrastructure	289,765,532	883,289	(146,084)	-	290,502,737
Total capital assets being depreciated	442,657,217	2,539,728	(628,755)	175,822	444,744,012
Less accumulated depreciation for:					
Building and improvements	(49,529,384)	(3,056,340)	-	-	(52,585,724)
Equipment and furniture	(9,278,960)	(485,910)	-	-	(9,764,870)
IT equipment and software	(2,299,591)	(167,709)	-	-	(2,467,300)
Vehicle	(9,945,280)	(551,698)	482,625	-	(10,014,353)
Infrastructure	(195,857,669)	(7,342,678)	142,468	-	(203,057,879)
Total accumulated depreciation	(266,910,884)	(11,604,335)	625,093	-	(277,890,126)
Total capital assets being depreciated, net	175,746,333	(9,064,607)	(3,662)	175,822	166,853,886
Subscription assets	1,268,134	165,909	-	-	1,434,043
Less accumulated amortization	-	(404,708)	-	-	(404,708)
Total subscription assets, net	1,268,134	(238,799)	-	-	1,029,335
Total governmental activities	\$ 204,083,293	\$ (1,192,391)	\$ (465,169)	\$ -	\$ 202,425,733

Depreciation and amortization expense was charged to functions/programs of governmental activities for the year ended June 30, 2023 as follows:

General government	\$ 898,176
Public safety	1,079,301
Public works	7,573,170
Community development	1,258,691
Internal service fund	1,199,705
Total	\$ 12,009,043

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023:

	Balance July 1, 2022 as restated	Additions	Deletions	Transfers	Balance June 30, 2023
<i>Capital assets not being depreciated:</i>					
Construction in progress	\$ 108,139	\$ -	\$ -	\$ -	\$ 108,139
Total capital assets not being depreciated	108,139	-	-	-	108,139
<i>Capital assets being depreciated:</i>					
Land improvements	427,852	-	-	-	427,852
Equipment and furniture	212,630	-	-	-	212,630
IT Equipment/software	15,000	-	-	-	15,000
Vehicles	213,353	-	-	-	213,353
Infrastructure	156,700,282	2,064,928	-	-	158,765,210
Total capital assets being depreciated	157,569,117	2,064,928	-	-	159,634,045
Less accumulated depreciation for:					
Land improvements	(427,853)	-	-	-	(427,853)
Equipment and furniture	(199,632)	(2,737)	-	-	(202,369)
IT Equipment/software	(1,250)	(5,000)	-	-	(6,250)
Vehicles	(33,189)	(14,223)	-	-	(47,412)
Infrastructure	(73,044,616)	(2,899,577)	-	-	(75,944,193)
Total accumulated depreciation	(73,706,540)	(2,921,537)	-	-	(76,628,077)
Total capital assets being depreciated, net	83,862,577	(856,609)	-	-	83,005,968
Subscription assets	22,500	-	-	-	22,500
Less accumulated amortization	-	(10,000)	-	-	(10,000)
Total subscription assets, net	22,500	(10,000)	-	-	12,500
Total business-type activities	\$ 83,993,216	\$ (866,609)	\$ -	\$ -	\$ 83,126,607

Depreciation and amortization expense was charged to the business-type activities as follows:

Sewer	\$ 1,511,887
Water	1,419,650
Total	\$ 2,931,537

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023:

	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
<i>Capital assets not being depreciated:</i>					
Land	\$ 13,396,202	\$ -	\$ -	\$ -	\$ 13,396,202
Construction in progress	35,257,312	28,922,911	-	-	64,180,223
Total capital assets not being depreciated	48,653,514	28,922,911	-	-	77,576,425
<i>Capital assets being depreciated:</i>					
Building and improvements	72,257,749	-	-		72,257,749
Land improvements	10,681,371	-	-	-	10,681,371
Equipment and furnitures	20,081,738	16,112	-	-	20,097,850
Vehicles	1,505,201	83,144	-	-	1,588,345
Infrastructure	35,874,536	-	-	-	35,874,536
Total capital assets being depreciated	140,400,595	99,256	-	-	140,499,851
Less accumulated depreciation for:					
Building and improvements	(42,873,925)	(1,663,219)	-	-	(44,537,144)
Land improvements	(6,098,263)	(190,342)	-	-	(6,288,605)
Equipment and furniture	(16,274,554)	(666,258)	-	-	(16,940,812)
Vehicles	(1,173,839)	(37,155)	-	-	(1,210,994)
Infrastructure	(11,072,338)	(1,645,755)	-	-	(12,718,093)
Total accumulated depreciation	(77,492,919)	(4,202,729)	-	-	(81,695,648)
Total capital assets being depreciated, net	62,907,676	(4,103,473)	-	-	58,804,203
Total discretely component unit	\$ 111,561,190	\$ 24,819,438	\$ -	\$ -	\$ 136,380,628

Note 8 – Equity Investment in DPCU

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 \$90,606,337 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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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.

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.

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, 2023:

	Balance June 30, 2022 as restated	Additions	Deletions	Balance June 30, 2023	Classification	
					Due within One Year	Due in more than One Year
Governmental Activities:						
Refunding Lease Revenue Bonds:						
2013 Series	\$ 16,220,000	\$ -	\$ (16,220,000)	\$ -	\$ -	\$ -
2020A Series	12,235,000	-	(755,000)	11,480,000	795,000	10,685,000
2022 Series	-	14,587,831	-	14,587,831	1,063,146	13,524,685
Unamortized premium	2,911,561	-	(801,953)	2,109,608	209,217	1,900,391
Loan payable	673,484	-	(93,359)	580,125	94,281	485,844
Subscription payable	890,209	165,909	(431,024)	625,094	311,213	313,881
Direct borrowings and placement						
General Obligation Bonds:						
Library 2019A Series	7,678,649	-	(347,829)	7,330,820	358,853	6,971,967
Library 2019B Series	16,938,301	-	(707,776)	16,230,525	730,720	15,499,805
Total long-term debt	57,547,204	14,753,740	(19,356,941)	52,944,003	3,562,430	49,381,573
Other long-term liabilities						
Claims payable	8,691,284	865,516	(909,880)	8,646,920	1,682,152	6,964,768
Compensated absences	1,847,014	1,937,234	(1,847,015)	1,937,233	193,723	1,743,510
Total long-term liabilities	\$ 68,085,502	\$ 17,556,490	\$ (22,113,836)	\$ 63,528,156	\$ 5,438,305	\$ 58,089,851

Lease Revenue Refunding Bonds (LRBs) 2022 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, 2023 was \$14,587,831.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

The annual debt service requirements to maturity for the Refunding LRBs 2022 Series are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 1,063,146	\$ 587,398	\$ 1,650,544
2025	1,140,757	474,128	1,614,885
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
2029-2034	8,700,075	989,236	9,689,311
Total	<u>\$ 14,587,831</u>	<u>\$ 3,211,564</u>	<u>\$ 17,799,395</u>

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 rates ranging from 1.21% to 2.08% 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, 2023 was \$11,480,000.

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
2024	\$ 795,000	\$ 554,125	\$ 1,349,125
2025	840,000	513,250	1,353,250
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
2029-2033	5,715,000	1,074,375	6,789,375
2034	1,325,000	33,125	1,358,125
Total	<u>\$ 11,480,000</u>	<u>\$ 3,447,250</u>	<u>\$ 14,927,250</u>

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. The final payment will be on June 22, 2029. The principal balance of outstanding at June 30, 2023 was \$580,125. p. 329 of 478

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Loan Payable (Continued)

The annual debt service requirements to maturity for the loan is as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 94,281	\$ 5,581	\$ 99,862
2025	95,240	4,622	99,862
2026	96,195	3,667	99,862
2027	97,159	2,702	99,861
2028	98,129	1,732	99,861
2029	99,121	745	99,866
Total	<u>\$ 580,125</u>	<u>\$ 19,049</u>	<u>\$ 599,174</u>

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, 2021. 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. The principal balance of outstanding bonds at June 30, 2023 was \$7,330,820.

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
2024	\$ 358,853	\$ 228,722	\$ 587,575
2025	370,226	217,525	587,751
2026	381,960	205,974	587,934
2027	394,066	194,057	588,123
2028	406,556	181,762	588,318
2029-2033	2,234,430	710,309	2,944,739
2034-2038	2,611,692	338,931	2,950,623
2039	573,037	17,879	590,916
Total	<u>\$ 7,330,820</u>	<u>\$ 2,095,159</u>	<u>\$ 9,425,979</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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. The principal balance of outstanding bonds at June 30, 2023 was \$16,230,525.

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
2024	\$ 730,720	\$ 517,754	\$ 1,248,474
2025	754,408	494,444	1,248,852
2026	778,864	470,378	1,249,242
2027	804,112	445,532	1,249,644
2028	830,179	419,881	1,250,060
2029-2033	4,572,452	1,684,573	6,257,025
2034-2038	5,363,214	906,425	6,269,639
2039-2040	2,396,576	115,286	2,511,862
Total	<u>\$ 16,230,525</u>	<u>\$ 5,054,273</u>	<u>\$ 21,284,798</u>

Subscription payable

The City entered into subscription agreements with various vendors for software. The terms of the agreements are ranging from 16 months to 56 months. The calculated interest rates range from 0.00% to 3.2067%. As of June 30, 2023, the capitalized right-to-use assets related to SBITAs were \$1,434,043 and the total subscription liability was \$625,094, of which \$311,213 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
2024	\$ 311,213	\$ 12,970	\$ 324,183
2025	169,229	6,765	175,994
2026	144,652	3,422	148,074
Total	<u>\$ 625,094</u>	<u>\$ 23,157</u>	<u>\$ 648,251</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Long-Term Liabilities (Continued)

B. Business-Type Activities

	Balance June 30, 2022 as restated	Additions	Deletions	Balance June 30, 2023	Classification	
					Due within One Year	Due in more than One Year
Business-type Activities:						
2010 Wastewater Revenue Bonds	\$ 2,440,000	\$ -	\$ (2,440,000)	\$ -	\$ -	\$ -
2021 Wastewater Revenue Bonds	47,080,000	-	-	47,080,000	725,000	46,355,000
Unamortized premium	5,573,508	-	(159,243)	5,414,265	-	5,414,265
Subscription payable	22,500	-	(22,500)	-	-	-
	<u>55,116,008</u>	<u>-</u>	<u>(2,621,743)</u>	<u>52,494,265</u>	<u>725,000</u>	<u>51,769,265</u>
Other long-term liabilities						
Compensated absences	232,818	218,330	-	280,351	28,035	252,316
	<u>\$ 55,348,826</u>	<u>\$ 218,330</u>	<u>\$ (2,621,743)</u>	<u>\$ 52,774,616</u>	<u>\$ 753,035</u>	<u>\$ 52,021,581</u>

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, 2023 was \$47,080,000.

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
2024	\$ 725,000	\$ 1,519,000	\$ 2,244,000
2025	755,000	1,489,400	2,244,400
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
2029-2033	4,805,000	6,416,600	11,221,600
2034-2038	5,840,000	5,378,175	11,218,175
2039-2043	6,855,000	4,373,925	11,228,925
2044-2048	7,955,000	3,265,575	11,220,575
2049-2053	9,240,000	1,977,900	11,217,900
2054-2057	8,455,000	516,825	8,971,825
Total	<u>\$ 47,080,000</u>	<u>\$ 29,215,900</u>	<u>\$ 76,295,900</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Long-Term Liabilities (Continued)

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, 2023 was \$5,181,734.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Defined Benefit Pension Plans (CalPERS)

A. Summary

The following is the summary of net pension liabilities and the related deferred outflows of resources and deferred inflows of resources at June 30, 2023 and pension expenses for the year then ended:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contributions after measurement date:			
Miscellaneous	\$ 3,127,883	\$ 1,325,888	\$ 4,453,771
Safety	7,730,256	-	7,730,256
Total contributions after measurement date	<u>10,858,139</u>	<u>1,325,888</u>	<u>12,184,027</u>
Changes in assumptions:			
Miscellaneous	1,498,120	635,042	2,133,162
Safety	5,072,647	-	5,072,647
Total changes in assumptions	<u>6,570,767</u>	<u>635,042</u>	<u>7,205,809</u>
Difference between expected and actual experience:			
Safety	1,056,818	-	1,056,818
Total difference between expected and actual experience	<u>1,056,818</u>	<u>-</u>	<u>1,056,818</u>
Difference between projected and actual earnings on plan investments:			
Miscellaneous	3,164,088	1,341,234	4,505,322
Safety	7,005,150	-	7,005,150
Total difference between projected and actual earnings on plan investments	<u>10,169,238</u>	<u>1,341,234</u>	<u>11,510,472</u>
Total deferred outflows of resources	<u><u>\$ 28,654,962</u></u>	<u><u>\$ 3,302,164</u></u>	<u><u>\$ 31,957,126</u></u>
Aggregate net pension liabilities:			
Miscellaneous	\$ 28,428,847	\$ 12,050,787	\$ 40,479,634
Safety	63,254,536	-	63,254,536
Total aggregate net pension liabilities	<u><u>\$ 91,683,383</u></u>	<u><u>\$ 12,050,787</u></u>	<u><u>\$ 103,734,170</u></u>
Deferred inflows of resources:			
Difference between expected and actual experience:			
Miscellaneous	498,510	211,315	709,825
Safety	622,010	-	622,010
Total difference between expected and actual experience	<u>1,120,520</u>	<u>211,315</u>	<u>1,331,835</u>
Total deferred inflows of resources	<u><u>\$ 1,120,520</u></u>	<u><u>\$ 211,315</u></u>	<u><u>\$ 1,331,835</u></u>
Pension expense:			
Miscellaneous	\$ 3,455,084	\$ 1,464,586	\$ 4,919,670
Safety	8,517,961	-	8,517,961
Total net pension expense	<u><u>\$ 11,973,045</u></u>	<u><u>\$ 1,464,586</u></u>	<u><u>\$ 13,437,631</u></u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

B. General Information about the Pension Plans

Plan Descriptions

The City's defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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.

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 CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

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.

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. PEPR 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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

B. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at the measurement date of June 30, 2022 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
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	10.700%	10.700%

	Safety - Police		
	Prior to January 5, 2011	Prior to January 1, 2013	On or After January 1, 2013
Hire Date			
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	25.870%	25.870%	25.870%

	Safety - Fire		
	Prior to January 5, 2011	Prior to January 1, 2013	On or After January 1, 2013
Hire Date			
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	21.077%	21.077%	21.077%

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

B. General Information about the Pension Plans (Continued)

Employees Covered

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms for all Plans:

	<u>Miscellaneous</u>	<u>Safety</u>
Active employees	122	100
Transferred and terminated employees	198	45
Retired Employees and Beneficiaries	248	149
Total	<u>568</u>	<u>294</u>

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.

C. Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 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

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 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 CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

C. Net Pension Liability (Continued)

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. The expected real rates of return by asset class are as follows:

The expected real rates of return by asset class are as follows:

Asset Class ¹	Current Target	Real Return ^{1 2}
	Allocation	
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%

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.

Return on Investments

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

C. Net Pension Liability (Continued)

Strategic Asset Allocation

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

D. 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, 2021 (Valuation Date)	\$ 125,181,567	\$ 100,869,134	\$ 24,312,433
Changes Recognized for the Measurement Period:			
Service cost	2,240,104	-	2,240,104
Interest on the total pension liability	8,651,774	-	8,651,774
Changes of assumptions	3,774,056	-	3,774,056
Difference between expected and actual experience	(1,151,738)	-	(1,151,738)
Contributions from the employer	-	4,103,355	(4,103,355)
Contributions from employees	-	923,404	(923,404)
Net investment income	-	(7,616,929)	7,616,929
Benefit payments, including refunds of employee contributions	(7,071,816)	(7,071,816)	-
Administrative expenses	-	(62,835)	62,835
Net changes during July 1, 2021 to June 30, 2022	6,442,380	(9,724,821)	16,167,201
Balance at June 30, 2022 (Measurement Date)	\$ 131,623,947	\$ 91,144,313	\$ 40,479,634

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

D. Changes in the Net Pension Liability (Continued)

	Safety		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (Valuation Date)	\$ 190,123,734	\$ 153,732,839	\$ 36,390,895
Changes Recognized for the Measurement Period:			
Service cost	4,253,470	-	4,253,470
Interest on the total pension liability	13,345,415	-	13,345,415
Changes of assumptions	6,821,836	-	6,821,836
Difference between expected and actual experience	(810,081)	-	(810,081)
Contributions from the employer	-	7,117,603	(7,117,603)
Contributions from employees	-	1,371,949	(1,371,949)
Net investment income	-	(11,646,787)	11,646,787
Benefit payments, including refunds of employee contributions	(9,700,828)	(9,700,828)	-
Administrative expenses	-	(95,766)	95,766
Net changes during July 1, 2021 to June 30, 2022	13,909,812	(12,953,829)	26,863,641
Balance at June 30, 2022 (Measurement Date)	\$ 204,033,546	\$ 140,779,010	\$ 63,254,536

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	Current Discount	Discount Rate
	- 1% (5.90%)	Rate (6.90%)	+ 1% (7.90%)
Miscellaneous Plan	\$ 56,849,099	\$ 40,479,634	\$ 26,894,431
Safety Plan	\$ 90,776,961	\$ 63,254,536	\$ 40,606,496

E. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the City recognized pension expense in the amounts of \$4,919,670 and \$8,517,961 for the miscellaneous plan and safety plan, respectively.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

E. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

As of measurement date of June 30, 2022, 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	\$ 4,453,771	\$ -
Changes of assumptions	2,133,162	-
Difference between expected and actual experience	-	(709,825)
Net difference between projected and actual earning on pension plan investments	4,505,322	-
Total	<u>\$ 11,092,255</u>	<u>\$ (709,825)</u>

Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made after the measurement date	\$ 7,730,256	\$ -
Difference between expected and actual experience	1,056,818	(622,010)
Net difference between projected and actual earnings on pension plan investments	7,005,150	-
Total	<u>\$ 20,864,871</u>	<u>\$ (622,010)</u>

The \$4,453,711 reported in the Miscellaneous Plans and \$7,730,256 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 in the measurement period ending June 30, 2023. 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	Safety Plan
2023	\$ 1,768,113	\$ 3,178,485
2024	969,137	3,019,899
2025	292,653	1,872,614
2026	2,898,756	4,441,607
	<u>\$ 5,928,659</u>	<u>\$ 12,512,605</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Other Postemployment Benefits (OPEB)

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Employer contributions made subsequent to the measurement date	\$ 463,523	\$ 90,930	\$ 554,453
Changes in assumption	1,746,016	342,520	2,088,536
Total deferred outflows of resources	\$ 2,209,539	\$ 433,450	\$ 2,642,989
Total OPEB liability	\$ 12,119,260	\$ 2,377,462	\$ 14,496,722
Total OPEB liability	\$ 12,119,260	\$ 2,377,462	\$ 14,496,722
Deferred inflows of Resources:			
Change in assumption	\$ 3,663,534	\$ 718,684	\$ 4,382,218
Difference between expected and actual experience	1,362,867	267,356	1,630,223
Total deferred inflows of resources	\$ 5,026,401	\$ 986,040	\$ 6,012,441
OPEB Expense	\$ 186,508	\$ 36,588	\$ 223,096

Plan Description

The City's Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. The plan provides healthcare benefits to eligible retirees and their dependents through the California Public Employee's Retirement System healthcare program (PEMHCA) and a post-employment retention/recognition incentive benefit program (RRIB) which requires proof of medical coverage. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its management employees and unions representing City employees.

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 \$149 in 2022 and \$151 in 2023. No dental, vision or life insurance benefits are provided.

The RRIB incentive benefit is for certain bargaining units' retirees that retired prior to July 1, 2014 (police and fire employees), July 1, 2015 (management employees) or November 1, 2015 (AFSCME, miscellaneous employees). Prior employees that retired on or before these dates and were fifty (50) or more years of age (police and fire employees) or fifty-five (55) or more years of age (AFSCME and management employees) and previously retired from City service with a minimum of fifteen (15) years of service with the City are eligible to receive this postretirement benefit until reaching the age of sixty-five (65). Additional tiers of years of service were added to the plan to qualify for benefits. This supplemental pension plan has been discontinued for new participants after the dates noted above.

The employer contribution under RRIB provides a temporary monthly annuity (to age 65) up to \$300 per month based on service at retirement to eligible retirees. All classes of employees are covered, if eligible.

The City offers a Health Reimbursement Plan (PEMHCA) for new retirees after the dates noted above.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a separate report.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Other Postemployment Benefits (Continued)

Employees Covered

At the measurement date of June 30, 2022, the following current and former employees were covered by the benefit terms under the plan:

Active plan members	220
Retirees	235
Total	<u>455</u>

Total OPEB Liability

The City's OPEB liability of \$14,496,722 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021 rolled forward to 2022 using standard update procedures. The OPEB liability from the governmental activities is primarily liquidated from the general fund.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2021
Discount Rate	4.09%
Inflation	2.30%
Salary Increase	2.80% wage inflation plus seniority, merit, & promotion increases based on November 2021 CalPERS Experience Study & Review of Actuarial Assumptions
Healthcare Trend Rate	Based on 2021 Getzen model that reflects actual premium increases through 2023, followed by 5.50% in 2023, decreasing gradually to an ultimate rate of 4.04% in 2075

Changes in total OPEB Liability

The change in total OPEB liability are as follows:

	Total OPEB Liability
Balance at June 30, 2021 (Valuation Date)	\$ 18,024,828
Changes Recognized for the Measurement Period:	
Service Cost	973,126
Interest on the total OPEB liability	410,441
Difference between expected and actual experience	(150,527)
Changes of assumptions	(4,245,661)
Benefit payments	(515,485)
Net Changes during July 1, 2021 to June 30, 2022	<u>(3,528,106)</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 14,496,722</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Other Postemployment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate for the Plan, 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 or one percentage point higher than the current rate:

Plan's Total OPEB Liability		
Discount Rate - 1%	Current Discount	Discount Rate + 1%
Rate (3.09%)	Rate (4.09%)	Rate (5.09%)
\$ 16,521,983	\$ 14,496,722	\$ 12,832,707

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate (Continued)

The following presents 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 or one percentage point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability		
Healthcare Cost		
-1%	Trend Rates	1%
\$ 12,587,299	\$ 14,496,722	\$ 16,897,843

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$236,096. At June 30, 2023, 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	\$ -	\$ (1,630,223)
Changes in assumptions	2,088,536	(4,382,218)
Employer contributions made subsequent to the measurement date	554,453 #	-
Total	\$ 2,642,989	\$ (6,012,441)

The \$554,453 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, 2024. The change in assumptions was due to the change in discount rate to 4.09% from 2.19% for the June 30, 2022 measurement date and is amortized over the average expected remaining service lives.

Other 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
2024	\$ (965,210)
2025	(772,210)
2026	(689,162)
2027	(544,703)
2028	(952,620)
	\$ (3,923,905)

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023 in the following amounts which are recorded in separate internal service funds:

Worker' compensation claims	\$ 6,363,000
General liability claims	2,283,920
Total claims payable	<u>\$ 8,646,920</u>

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:

	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
<i><u>Workers' Compensation</u></i>						
2020-2021	\$ 2,932,396	2,058,195	(1,397,737)	\$ 3,592,854	\$ 970,000	\$ 2,622,854
2021-2022	3,592,854	3,863,535	(787,389)	6,669,000	1,062,000	5,607,000
2022-2023	6,669,000	481,389	(787,389)	6,363,000	965,000	5,398,000

Changes in claims payable for general liability for the past three fiscal years are as follows:

	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
<i><u>General Liability</u></i>						
2020-2021	\$ 690,049	\$ 4,456,029	\$ (2,380,120)	\$ 2,765,958	\$ 470,000	\$ 2,295,958
2021-2022	2,765,958	(322,612)	(421,062)	2,022,284	734,997	2,022,284
2022-2023	2,022,284	384,127	(122,491)	2,283,920	717,152	1,566,768

Note 14 – Risk Management

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 20 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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Risk Management (Continued)

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 15 – Commitments and Contingencies

The City had the following commitments outstanding as of June 30, 2023:

Name of Project	Outstanding Amount
2023 Citywide Pavement Rehabilitation	\$ 6,574,047
Fleet Replacement	741,087
10th Street and Uvas Creek Bridge Design Services	667,235
Community Development Contractual Services	545,425
Public Works Contractual Services	470,852
Downtown Gourmet Parking Lot Project	422,686
Type III Fire Engine	415,673
Traffic Circulation Master Plan and Impact Fees	396,649
McCarthy Well Project Design and Engineering	396,404
Public Safety Rescue Vehicle	360,497
Enterprise Resource Planning (ERP) and Permitting Software Systems	350,703
Repairs and Renovation at Cherry Blossom Apartments	312,957
Miscellaneous capital projects and services	1,827,417
	<u>\$ 13,481,631</u>

Grant Program

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.

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 has been named as a party in litigation lawsuits against the Gilroy Garlic Festival Association responsible for organizing the festival. Currently, the Gilroy Garlic Festival Association's insurance is covering all legal costs. The City of Gilroy was recently granted a Motion for Summary Judgment in the Towner et al v. Gilroy Garlic Festival Association, et al. case. However, we expect the Towner plaintiffs to file an appeal. Motions for Summary Judgment were recently filed in the Salazar and Henderson cases and those are scheduled to be heard in April 2024. Until these matters are fully resolved, the City may incur additional financial impacts because of this event. Currently, the extent of those impact is unknown.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Commitments and Contingencies (Continued)

October 2021 Halloween Incident.

The City has received several government claims which arise out of a shooting that occurred in the early morning of October 30, 2021 during a Halloween party at Gilroy City Councilmember Rebecca Armendariz's residence. The City of Gilroy had no involvement in the private Halloween party. The claims have been submitted by the family members of two individuals who died as a result of the shooting. Two lawsuits have been filed naming the City as a defendant. Only one lawsuit has been served on the City. Both lawsuit's theory of liability against the City appears to be primarily that the City is vicariously liable for Councilmember Armendariz's involvement in hosting the Halloween party.

Note 16 – Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2023:

	Governmental Activities	Business-Type Activities	DCU
Capital assets, net of accumulated depreciation and amortization	\$ 202,425,733	\$ 83,126,607	\$ 136,380,628
Unspent bond proceeds	3,139	25,470,094	-
Less: outstanding principal on capital related debts	(50,209,301)	(47,080,000)	-
Less: subscription liabilities	(625,094)		
Less: bond premium	(2,109,608)	(5,414,265)	-
Net investment in capital assets	<u>\$ 149,484,869</u>	<u>\$ 56,102,436</u>	<u>136,380,628</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 17 – Classification of Fund Balances

	General Fund	Public Facilities Impact Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaid items	\$ 23,750	\$ -	\$ -	\$ 23,750
Subtotal	23,750	-	-	23,750
Restricted:				
General capital projects	-	-	5,330,906	5,330,906
PARS	2,506,565	-	-	2,506,565
Debt service	25,471	-	-	25,471
Public safety	-	-	930,460	930,460
Street maintenance	-	-	6,598,283	6,598,283
Grant programs	-	-	2,075,003	2,075,003
Housing	-	-	3,338,781	3,338,781
Traffic impact	-	-	17,264,934	17,264,934
Sewer development	-	-	15,895,458	15,895,458
Water development	-	-	6,168,778	6,168,778
Storm drains	-	-	2,156,826	2,156,826
Stormwater Management	-	-	794,089	794,089
Community development	-	-	7,515,489	7,515,489
Debt service	-	-	2,340,479	2,340,479
Museum	-	-	8,914	8,914
City poor assistance	-	-	15,399	15,399
Land held for resale	-	-	706,754	706,754
Subtotal	2,532,036	-	71,140,553	73,672,589
Committed:				
Economic stability reserve	6,205,317	-	-	6,205,317
Subtotal	6,205,317	-	-	6,205,317
Assigned:				
Opioid Settlement	-	-	46,551	46,551
Capital projects	-	-	3,557,391	3,557,391
Subtotal	-	-	3,603,942	3,603,942
Unassigned (deficit)	33,190,870	(1,050,416)	(155,324)	31,985,130
Total	\$ 41,951,973	\$ (1,050,416)	\$ 74,589,171	\$ 115,490,728

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.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 18 – 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, 2023, Gilroy’s share of the abated 1% Ad Valorem Tax is \$13,500.

Note 19 – Prior Period Adjustments

Net position for governmental and business-type activities were restated as of July 1, 2022 as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net position, as previously reported, at July 1, 2022	\$ 190,683,313	\$ 182,640,016	\$ 373,323,329
Adjust GASB 96 beginning balance	<u>377,925</u>	<u>-</u>	<u>377,925</u>
Net position at July 1, 2022, as restated	<u><u>\$ 191,061,238</u></u>	<u><u>\$ 182,640,016</u></u>	<u><u>\$ 373,701,254</u></u>

The beginning net position at July 1, 2022 of the Information Technology Internal Service Fund financial statement was restated as follows:

Net position, as previously reported, at July 1, 2022	\$ 5,571,755
Adjust GASB 96 beginning balance	<u>377,925</u>
Net position at July 1, 2022, as restated	<u><u>\$ 5,949,680</u></u>

**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, 2023

Last Ten Fiscal Years¹

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2021-22	2020-21	2019-20	2018-19	2017-18
Total pension liability					
Service cost	\$ 2,240,104	\$ 2,545,114	\$ 2,360,748	\$ 2,218,281	\$ 2,107,888
Interest	8,651,774	8,496,663	8,220,201	7,888,537	7,397,421
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	3,774,056	-	-	-	(870,201)
Differences between expected and actual experience	(1,151,738)	(176,531)	670,381	3,067,906	1,618,519
Benefit payments, including refunds of employee contributions	(7,071,816)	(6,844,176)	(6,415,856)	(6,003,668)	(5,515,662)
Net change in total pension liability	6,442,380	4,021,070	4,835,474	7,171,056	4,737,965
Total pension liability - beginning	125,181,567	121,160,497	116,325,023	109,153,967	104,416,002
Total pension liability - ending (a)	\$ 131,623,947	\$ 125,181,567	\$ 121,160,497	\$ 116,325,023	\$ 109,153,967
Pension fiduciary net position					
Contributions - employer	\$ 4,103,355	\$ 3,772,061	\$ 3,645,000	\$ 3,254,181	\$ 2,796,490
Contributions - employee	923,404	914,541	1,076,549	992,926	1,003,145
Net investment income	(7,616,929)	18,954,052	4,099,977	5,226,520	6,275,073
Benefit payments, including refunds of employee contributions	(7,071,816)	(6,844,176)	(6,415,856)	(6,003,668)	(5,515,662)
Plan to plan resource movement	-	-	1,029	-	(182)
Administrative expense ²	(62,835)	(84,067)	(115,410)	(55,985)	(115,667)
Other Miscellaneous Income/(Expense) ¹	-	-	-	182	(219,654)
Net change in plan fiduciary net position	(9,724,821)	16,712,411	2,291,289	3,414,156	4,223,543
Plan fiduciary net position - beginning³	100,869,134	84,156,723	81,865,434	78,451,278	74,227,735
Plan fiduciary net position - ending (b)	\$ 91,144,313	\$ 100,869,134	\$ 84,156,723	\$ 81,865,434	\$ 78,451,278
Plan net pension liability - ending (a) - (b)	\$ 40,479,634	\$ 24,312,433	\$ 37,003,774	\$ 34,459,589	\$ 30,702,689
Plan fiduciary net position as a percentage of the total pension liability	69.25%	80.58%	69.46%	70.38%	71.87%
Covered payroll³	\$ 11,194,925	\$ 14,371,056	\$ 13,093,445	\$ 12,003,033	\$ 11,457,160
Plan net pension liability as a percentage of covered payroll	361.59%	169.18%	282.61%	287.09%	267.98%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: 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.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

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, 2023

Last Ten Fiscal Years¹

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2016-17	2015-16	2014-15	2013-14 ¹
Total pension liability				
Service cost	\$ 2,119,709	\$ 1,974,107	\$ 1,914,477	\$ 1,886,470
Interest	7,057,333	6,992,371	6,720,915	6,378,166
Changes of benefit terms	-	-	-	-
Changes of assumptions	5,558,063	-	(1,563,145)	-
Differences between expected and actual experience	(2,724,046)	(878,722)	67,994	-
Benefit payments, including refunds of employee contributions	(4,810,256)	(4,335,513)	(4,140,599)	(3,800,609)
Net change in total pension liability	7,200,803	3,752,243	2,999,642	4,464,027
Total pension liability - beginning	97,215,199	93,462,956	90,463,314	85,999,287
Total pension liability - ending (a)	\$ 104,416,002	\$ 97,215,199	\$ 93,462,956	\$ 90,463,314
Pension fiduciary net position				
Contributions - employer	\$ 2,535,645	\$ 2,448,744	\$ 2,236,836	\$ 2,105,469
Contributions - employee	888,342	895,816	894,531	978,326
Net investment income	7,621,577	355,337	1,523,463	10,200,504
Benefit payments, including refunds of employee contributions	(4,810,256)	(4,335,513)	(4,140,599)	(3,800,609)
Plan to plan resource movement	-	-	-	-
Administrative expense ²	(100,535)	(41,912)	(77,393)	-
Other Miscellaneous Income/(Expense) ¹	-	-	-	-
Net change in plan fiduciary net position	6,134,773	(677,528)	436,838	9,483,690
Plan fiduciary net position - beginning³	68,092,962	68,770,490	68,333,652	58,849,962
Plan fiduciary net position - ending (b)	\$ 74,227,735	\$ 68,092,962	\$ 68,770,490	\$ 68,333,652
Plan net pension liability - ending (a) - (b)	\$ 30,188,267	\$ 29,122,237	\$ 24,692,466	\$ 22,129,662
Plan fiduciary net position as a percentage of the total pension liability	71.09%	70.04%	73.58%	75.54%
Covered payroll³	\$ 10,902,171	\$ 11,189,178	\$ 10,920,524	\$ 10,072,452
Plan net pension liability as a percentage of covered payroll	276.90%	260.27%	226.11%	219.70%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: 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.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

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, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Measurement period	2021-22	2020-21	2018-19	2018-19	2017-18
Total pension liability					
Service cost	\$ 4,253,470	\$ 3,976,010	\$ 4,116,535	\$ 4,001,654	\$ 3,782,506
Interest	13,345,415	12,848,427	12,139,906	11,586,454	11,090,179
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	6,821,836	-	-	-	(633,599)
Differences between expected and actual experience contributions	(810,081)	2,169,260	(85,114)	(560,783)	(600,354)
	(9,700,828)	(8,821,983)	(8,070,115)	(7,569,570)	(7,391,540)
Net change in total pension liability	13,909,812	10,171,714	8,101,212	7,457,755	6,247,192
Total pension liability - beginning	190,123,734	179,952,020	171,850,808	164,393,053	158,145,861
Total pension liability - ending (a)	<u>\$ 204,033,546</u>	<u>\$ 190,123,734</u>	<u>\$ 179,952,020</u>	<u>\$ 171,850,808</u>	<u>\$ 164,393,053</u>
Pension fiduciary net position					
Contributions - employer	\$ 7,117,603	\$ 6,718,586	\$ 6,320,224	\$ 5,572,994	\$ 4,906,333
Contributions - employee	1,371,949	1,307,559	1,575,349	1,245,565	1,196,981
Net investment income	(11,646,787)	28,749,163	6,112,651	7,469,298	8,983,812
Benefit payments, including refunds of employee contributions	(9,700,828)	(8,821,983)	(8,070,115)	(7,569,570)	(7,391,540)
Plan to plan resource movement	-	-	(1,029)	-	(263)
Administrative expense ²	(95,766)	(125,772)	(169,364)	(80,996)	(165,621)
Other Miscellaneous Income/(Expense) ¹	-	-	-	263	(314,517)
Net change in plan fiduciary net position	(12,953,829)	27,827,553	5,767,716	6,637,554	7,215,185
Plan fiduciary net position - beginning³	153,732,839	125,905,286	120,137,570	113,500,016	106,284,831
Plan fiduciary net position - ending (b)	<u>\$ 140,779,010</u>	<u>\$ 153,732,839</u>	<u>\$ 125,905,286</u>	<u>\$ 120,137,570</u>	<u>\$ 113,500,016</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 63,254,536</u>	<u>\$ 36,390,895</u>	<u>\$ 54,046,734</u>	<u>\$ 51,713,238</u>	<u>\$ 50,893,037</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>69.00%</u>	<u>80.86%</u>	<u>69.97%</u>	<u>69.91%</u>	<u>69.04%</u>
Covered payroll³	<u>\$ 13,805,486</u>	<u>\$ 13,936,242</u>	<u>\$ 13,479,938</u>	<u>\$ 13,479,938</u>	<u>\$ 12,879,248</u>
Plan net pension liability as a percentage of covered payroll	<u>458.18%</u>	<u>261.12%</u>	<u>400.94%</u>	<u>383.63%</u>	<u>395.16%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

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, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Measurement period	2016-17	2015-16	2014-15	2013-14 ¹
Total pension liability				
Service cost	\$ 3,795,030	\$ 3,436,724	\$ 3,251,786	\$ 3,441,840
Interest	10,658,420	10,258,316	9,778,748	9,235,218
Changes of benefit terms	-	-	-	-
Changes of assumptions	9,024,447	-	(2,444,546)	-
Differences between expected and actual experience contributions	(1,138,485)	(557,694)	437,762	-
	<u>(6,957,768)</u>	<u>(6,616,198)</u>	<u>(5,976,690)</u>	<u>(5,792,746)</u>
Net change in total pension liability	15,381,644	6,521,148	5,047,060	6,884,312
Total pension liability - beginning	142,764,217	136,243,069	131,196,009	124,311,697
Total pension liability - ending (a)	\$ 158,145,861	\$ 142,764,217	\$ 136,243,069	\$ 131,196,009
Pension fiduciary net position				
Contributions - employer	\$ 4,528,260	\$ 4,131,687	\$ 3,911,991	\$ 3,844,918
Contributions - employee	1,157,337	1,130,369	1,106,970	1,082,775
Net investment income	10,785,793	541,083	2,139,791	14,460,928
Benefit payments, including refunds of employee contributions	(6,957,768)	(6,616,198)	(5,976,690)	(5,792,746)
Plan to plan resource movement	-	-	-	-
Administrative expense ²	(143,087)	(59,596)	(110,062)	-
Other Miscellaneous Income/(Expense) ¹	-	-	-	-
Net change in plan fiduciary net position	9,370,535	(872,655)	1,072,000	13,595,875
Plan fiduciary net position - beginning³	96,914,296	97,786,951	96,714,951	83,119,076
Plan fiduciary net position - ending (b)	\$ 106,284,831	\$ 96,914,296	\$ 97,786,951	\$ 96,714,951
Plan net pension liability - ending (a) - (b)	\$ 51,861,030	\$ 45,849,921	\$ 38,456,118	\$ 34,481,058
Plan fiduciary net position as a percentage of the total pension liability	67.21%	67.88%	71.77%	73.72%
Covered payroll³	\$ 12,700,905	\$ 12,637,804	\$ 12,055,260	\$ 12,092,757
Plan net pension liability as a percentage of covered payroll	408.33%	362.80%	319.00%	285.14%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pension
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous

Fiscal Year End	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Actuarially determined contribution	\$ 4,453,771	\$ 4,103,555	\$ 3,772,061	\$ 3,645,000	\$ 3,254,181	\$ 2,796,490
Contributions in relation to the actuarially determined contribution ¹	(4,453,771)	(4,103,555)	(3,772,061)	(3,645,000)	(3,254,181)	(2,796,490)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ²	\$ 11,390,836	\$ 11,194,925	\$ 14,371,056	\$ 13,093,445	\$ 12,003,033	\$ 11,457,160
Contributions as a percentage of covered payroll ²	39.10%	36.66%	26.25%	27.84%	27.11%	24.41%

¹ 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.

² Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018- 21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.750%
Investment rate of return	7.00% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pension (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous

Fiscal Year End	2016-17	2015-16	2014-15	2013-14
Actuarially determined contribution	\$ 2,535,645	\$ 2,448,744	\$ 2,236,836	\$ 2,105,469
Contributions in relation to the actuarially determined contribution ¹	(2,535,645)	(2,448,744)	(2,236,836)	(2,105,469)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll ²	\$ 10,920,524	\$ 11,189,178	\$ 10,920,524	\$ 10,072,452
Contributions as a percentage of covered payroll ²	23.22%	21.88%	20.48%	20.90%

¹ 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.

² Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018- 21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.750%
Investment rate of return	7.00% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pension (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Fiscal Year End	2022-23	2021-22	2020-21	2019-20	2018-19
Actuarially determined contribution	\$ 7,730,256	\$ 7,117,603	6,718,586	\$ 6,320,224	\$ 5,572,994
Contributions in relation to the actuarially determined contribution ¹	(7,730,256)	(7,117,603)	(6,718,586)	(6,320,224)	(5,572,994)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ²	\$ 14,185,137	\$ 13,805,486	\$ 13,936,242	\$ 14,083,254	\$ 13,479,938
Contributions as a percentage of covered payroll ²	54.50%	51.56%	48.21%	44.88%	41.34%

¹ 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.

² Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018- 21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.750%
Investment rate of return	7.00% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pension (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Fiscal Year End	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially determined contribution	\$ 4,906,333	\$ 4,528,260	\$ 4,131,687	\$ 3,911,991	\$ 3,844,918
Contributions in relation to the actuarially determined contribution ¹	(4,906,333)	(4,528,260)	(4,131,687)	(3,911,991)	(3,844,918)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ²	\$ 12,879,248	12700905	\$ 12,637,804	\$ 12,055,260	\$ 12,092,757
Contributions as a percentage of covered payroll ²	38.09%	35.65%	32.69%	32.45%	31.80%

¹ 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.

² Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018- 21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.750%
Investment rate of return	7.00% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

Last Ten Fiscal Years

Other Post Employment Benefit Plan

Measurement period	2021-2022	2020-21	2019-20
Total OPEB liability			
Service cost	\$ 973,126	\$ 1,252,941	\$ 906,127
Interest	410,441	435,960	533,762
Difference between expected vs actual experience	(150,527)	(1,132,716)	-
Changes of assumptions	(4,245,661)	(724,033)	3,218,042
Benefit payments, including refunds of employee contributions	(515,485)	(559,128)	(500,729)
Net change in total OPEB liability	(3,528,106)	(726,976)	4,157,202
Total OPEB liability - beginning	18,024,828	18,751,804	14,594,602
Total OPEB liability - ending (a)	\$ 14,496,722	\$ 18,024,828	\$ 18,751,804
Covered employee-payroll⁵	\$ 23,600,000	\$ 23,024,828	\$ 28,912,941
Plan OPEB liability as a percentage of covered payroll	61.43%	78.28%	64.86%

Notes to Schedule:

Historical information is presented only for measurement periods for which GASB 75 is applicable.

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The discount rate for the June 30, 2017 measurement date was increased to 3.58% from 2.85%.

The discount rate for the June 30, 2018 measurement date was increased to 3.87% from 3.58%.

The discount rate for the June 30, 2019 measurement date was decreased to 3.50% from 3.87%.

The discount rate for the June 30, 2020 measurement date was decreased to 2.21% from 3.50%.

The discount rate for the June 30, 2021 measurement date was decreased to 2.19% from 2.21%.

Plan assets:

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 Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

Other Post Employment Benefit Plan

Measurement period	2018-19	2017-18	2016-17
Total OPEB liability			
Service cost	\$ 697,310	\$ 723,000	\$ 832,000
Interest	594,793	546,000	463,000
Actual vs. expected experience	(1,655,290)	-	-
Changes of assumptions	547,789	(625,000)	(1,691,000)
Benefit payments, including refunds of employee contributions	(524,000)	(491,000)	(479,000)
Net change in total OPEB liability	(339,398)	153,000	(875,000)
Total OPEB liability - beginning	14,934,000	14,781,000	15,656,000
Total OPEB liability - ending (a)	<u>\$ 14,594,602</u>	<u>\$ 14,934,000</u>	<u>\$ 14,781,000</u>
Covered employee-payroll⁵	<u>\$ 29,906,910</u>	<u>\$ 27,610,000</u>	<u>\$ 26,626,000</u>
Plan OPEB liability as a percentage of covered payroll	<u>48.80%</u>	<u>54.09%</u>	<u>55.51%</u>

Notes to Schedule:

Historical information is presented only for measurement periods for which GASB 75 is applicable.

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The discount rate for the June 30, 2017 measurement date was increased to 3.58% from 2.85%.

The discount rate for the June 30, 2018 measurement date was increased to 3.87% from 3.58%.

The discount rate for the June 30, 2019 measurement date was decreased to 3.50% from 3.87%.

The discount rate for the June 30, 2020 measurement date was decreased to 2.21% from 3.50%.

The discount rate for the June 30, 2021 measurement date was decreased to 2.19% from 2.21%.

Plan assets:

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
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2023

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property taxes	\$ 16,416,000	\$ 18,682,000	\$ 19,164,448	\$ 482,448
Sales tax	20,576,773	22,565,773	21,029,959	(1,535,814)
Transient occupancy tax	1,833,898	1,833,898	1,754,615	(79,283)
Utility taxes	4,307,959	5,479,958	6,551,417	1,071,459
Franchise taxes	1,753,800	1,753,800	2,198,150	444,350
Document transfer tax	530,400	530,400	404,075	(126,325)
Motor vehicle in lieu tax	34,161	34,161	61,476	27,315
Total taxes	45,452,991	50,879,990	51,164,140	284,150
Intergovernmental:				
Grants	135,000	1,058,100	1,257,731	199,631
Total intergovernmental				
Charges for Services:				
Administrative charges	3,811,497	3,811,497	3,921,412	109,915
Plan checks and inspections	1,655,780	2,275,480	1,971,054	(304,426)
Special planning services	481,200	451,200	668,785	217,585
Special police services	54,122	25,000	31,603	6,603
Special fire services	200,000	200,000	408,852	208,852
Community recreation	598,455	598,455	619,423	20,968
Total charges for services	6,801,054	7,361,632	7,621,129	259,497
Licenses and Permits:				
Business licenses	586,496	710,496	727,164	16,668
Hazardous material permits	210,000	210,000	313,867	103,867
Building permits	1,943,500	1,943,500	1,577,288	(366,212)
Other licenses and permits	49,276	49,276	77,999	28,723
Total licenses and permits	2,789,272	2,913,272	2,696,318	(216,954)
Fines:				
Vehicle fines	83,526	83,526	80,830	(2,696)
Parking fines	21,150	21,150	20,401	(749)
Abandoned vehicle	100,000	150,000	154,128	4,128
Total fines	204,676	254,676	255,359	683
Investment income (loss)	163,355	163,355	1,813,640	1,650,285
Miscellaneous:				
Police and fire	24,085	24,085	47,288	23,203
Recreation	4,400	4,400	3,212	(1,188)
Other	678,404	773,826	850,669	76,843
Total miscellaneous	706,889	802,311	901,169	98,858
TOTAL REVENUES	56,253,237	63,433,336	65,709,486	2,276,150

(Continued)

City of Gilroy
Required Supplementary Information
Budgetary Comparison Schedule - General Fund (Continued)
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
General Government:				
City council	230,272	226,735	241,345	(14,610)
City administration	1,541,019	2,002,289	1,865,950	136,339
Emergency services	101,100	287,200	33,277	253,923
Finance	1,012,714	1,045,823	929,361	116,462
General administration	2,805,895	3,915,223	4,098,914	(183,691)
City attorney	450,000	450,000	612,282	(162,282)
Human resources	1,399,381	1,557,268	1,540,512	16,756
Total general government	7,540,381	9,484,538	9,321,641	162,897
Public Safety:				
Police administration	3,983,593	4,133,029	4,214,385	(81,356)
Police patrol operations	15,545,233	17,003,635	16,830,011	173,624
Police investigation	1,572,666	1,565,930	1,511,299	54,631
Communications	2,313,304	2,493,152	2,220,417	272,735
Police records	1,230,167	1,241,650	1,034,794	206,856
Fire administration	1,983,083	2,012,239	2,125,461	(113,222)
Fire operations	10,628,472	11,212,180	11,450,532	(238,352)
Total public safety	37,256,518	39,661,815	39,386,899	274,916
Public works:				
Public works administration	600	301,361	205,722	95,639
Street maintenance/forestry	1,234,543	1,100,130	1,092,842	7,288
Landscape maintenance	2,871,024	2,909,823	2,922,318	(12,495)
Engineering	1,321,560	1,282,574	1,075,403	207,171
Total public works	5,427,727	5,593,888	5,296,285	297,603
Community development:				
Administration	1,115,873	1,311,203	1,141,450	169,753
Planning	1,424,615	1,693,466	1,417,950	275,516
Buildings	1,563,201	1,590,457	1,718,758	(128,301)
Chemical containment hazardous materials	370,573	367,570	411,909	(44,339)
Economic development	-	100,000	5,500	94,500
Total community development	4,474,262	5,062,696	4,695,567	367,129
Recreation services:				
Community recreation	1,966,883	2,072,292	1,755,215	317,077
Total recreation services	1,966,883	2,072,292	1,755,215	317,077
Capital outlay:				
Capital outlay	2,122,000	3,722,000	1,575,059	2,146,941
Total capital outlay	2,122,000	3,722,000	1,575,059	2,146,941
Debt services				
Principal payment	-	-	22,500	(22,500)
Total debt services	-	-	22,500	(22,500)
TOTAL EXPENDITURES	58,787,771	65,597,229	62,053,166	3,544,063
EXCESS OF REVENUES OVER EXPENDITURES	(2,534,534)	(2,163,893)	3,656,320	5,820,213
OTHER FINANCING SOURCES:				
Transfers in	2,532,888	2,571,340	2,579,508	8,168
Transfers out	(1,231,734)	(2,200,743)	(2,189,571)	11,172
Total other financing sources	1,301,154	370,597	389,937	19,340
NET CHANGE IN FUND BALANCE	\$ (1,233,380)	\$ (1,793,296)	4,046,257	\$ 5,839,553
FUND BALANCE:				
Beginning of Year			37,905,716	
End of Year			<u>\$ 41,951,973</u>	

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(Concluded)



SUPPLEMENTARY INFORMATION



City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Facilities Impact Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Developer impact fee	\$ 7,018,599	\$ 7,018,599	\$ 2,073,785	\$ (4,944,814)
Investment income	7,145	7,145	60,303	53,158
Total revenues	<u>7,025,744</u>	<u>7,025,744</u>	<u>2,134,088</u>	<u>(4,891,656)</u>
EXPENDITURES:				
Current:				
Public works	10,000	10,000	8,928	1,072
Debt service:				
Interest and fiscal charges	<u>58,858</u>	<u>58,858</u>	<u>58,858</u>	<u>-</u>
Total expenditures	<u>68,858</u>	<u>68,858</u>	<u>67,786</u>	<u>1,072</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,956,886</u>	<u>6,956,886</u>	<u>2,066,302</u>	<u>(4,890,584)</u>
OTHER FINANCIN SOURCES (USES):				
Transfers in	40,763	40,763	40,763	-
Transfers out	<u>(3,872,081)</u>	<u>(3,872,081)</u>	<u>(3,188,031)</u>	<u>684,050</u>
Total other financing sources (uses)	<u>(3,831,318)</u>	<u>(3,831,318)</u>	<u>(3,147,268)</u>	<u>684,050</u>
NET CHANGE IN FUND BALANCE	<u>\$ 3,125,568</u>	<u>\$ 3,125,568</u>	<u>(1,080,966)</u>	<u>\$ (4,206,534)</u>
FUND BALANCE(DEFICIT):				
Beginning of Year			<u>30,550</u>	
End of Year			<u>\$ (1,050,416)</u>	

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.

Rehabilitation Loans Fund - This fund is used to account for loan proceeds used from the state for housing projects.

Housing Trust Fund - This fund is used to account for local funds used to address affordable housing and homelessness, for both capital projects and services provided to homebuyers regarding down payment assistance and administrative oversight.

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 future 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.

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.

Sewer Development Fund - This fund is used to account for the construction of sewer collection and conveyance systems within the City as described in the City of Gilroy's Sewer Master Plan. Improvements and expansions of the City's sewer system are needed to accommodate development of new residential, commercial and industrial uses within the City. The sewer development fee is used to expand system capacity to accommodate new development.

Water Development Fund - This fund is used to account for the construction of water transmission, distribution and storage systems within Pressure Zone 1 of the City's water system as described in the City of Gilroy's Water Master Plan. Improvements and expansions of the City's water system are needed to accommodate development of new residential, commercial and industrial uses within the City. The water development fee is used to expand capacity to accommodate new development.

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).

2013 Refunding Bond Fund - This fund is used to account for the payments of debt service of principal and interest for the 2013 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, 2023

	Special Revenue Funds			
	Gas Tax	Pavement Management	Public Safety Grants	Prop 172 Sales Tax
ASSETS				
Cash and investments	\$ 6,723,909	\$ 231,734	\$ 612,766	\$ 127,050
Receivables:				
Accounts	120,124	-	172,467	-
Due from other governments	132,089	-	91,257	58,364
Interest	-	-	-	-
Loans	-	-	-	-
Advances from other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 6,976,122	\$ 231,734	\$ 876,490	\$ 185,414
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 377,839	\$ -	\$ 85,836	\$ 10,637
Accrued liabilities	-	-	34,971	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	377,839	-	120,807	10,637
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	6,598,283	231,734	755,683	174,777
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	6,598,283	231,734	755,683	174,777
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,976,122	\$ 231,734	\$ 876,490	\$ 185,414

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Community Development Block Grant	Rehabilitation Loans	Housing Trust Fund	Community Facilities District
ASSETS				
Cash and investments	\$ 403,644	\$ 235	\$ 1,126,721	\$ 1,671,445
Receivables:				
Accounts	300	-	1,378	-
Due from other governments	131,782	-	-	2,194
Interest	465,501	-	388,252	-
Loans	1,646,375	-	1,216,663	-
Advances from other funds	-	-	-	-
Land held for resale	-	-	706,754	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 2,647,602</u>	<u>\$ 235</u>	<u>\$ 3,439,768</u>	<u>\$ 1,673,639</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 97,489	\$ -	\$ 482	\$ 11,150
Accrued liabilities	3,492	-	4,580	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>100,981</u>	<u>-</u>	<u>5,062</u>	<u>11,150</u>
Deferred inflows of resources:				
Unavailable revenues	471,853	-	388,252	-
Total deferred inflows of resources	<u>471,853</u>	<u>-</u>	<u>388,252</u>	<u>-</u>
Fund balances:				
Restricted	2,074,768	235	3,046,454	1,662,489
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>2,074,768</u>	<u>235</u>	<u>3,046,454</u>	<u>1,662,489</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,647,602</u>	<u>\$ 235</u>	<u>\$ 3,439,768</u>	<u>\$ 1,673,639</u>

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Measure B	Vehicle License Fee	Los Arroyos Fund	CalHome Funds
ASSETS				
Cash and investments	\$ 4,115,694	\$ 1,355,119	\$ 633,774	\$ 367,186
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Interest	-	-	-	68,601
Loans	-	-	-	180,600
Advances from other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 4,115,694</u>	<u>\$ 1,355,119</u>	<u>\$ 633,774</u>	<u>\$ 616,387</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,879	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	249,201
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,879</u>	<u>249,201</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	4,115,694	1,355,119	631,895	367,186
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>4,115,694</u>	<u>1,355,119</u>	<u>631,895</u>	<u>367,186</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,115,694</u>	<u>\$ 1,355,119</u>	<u>\$ 633,774</u>	<u>\$ 616,387</u>

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special		
	Revenue Funds	Capital Projects Funds	
	Opioid Settlement Fund	Capital Projects	Traffic Impact
ASSETS			
Cash and investments	\$ 46,551	\$ 3,674,177	\$ 17,305,015
Receivables:			
Accounts	-	-	-
Due from other governments	-	-	-
Interest	-	-	-
Loans	-	-	-
Advances from other funds	-	-	-
Land held for resale	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
Total assets	<u>\$ 46,551</u>	<u>\$ 3,674,177</u>	<u>\$ 17,305,015</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 116,786	\$ 40,081
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>116,786</u>	<u>40,081</u>
Deferred inflows of resources:			
Unavailable revenues	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	-	-	17,264,934
Assigned	46,551	3,557,391	-
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	<u>46,551</u>	<u>3,557,391</u>	<u>17,264,934</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 46,551</u>	<u>\$ 3,674,177</u>	<u>\$ 17,305,015</u>

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Capital Projects Funds			
	Storm Drains	Street Trees Development	Sewer Development	Water Development
ASSETS				
Cash and investments	\$ 1,362,657	\$ 150,453	\$ 15,166,621	\$ 6,185,116
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Interest	-	-	-	-
Loans	-	-	-	-
Advances from other funds	794,277	-	728,945	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 2,156,934	\$ 150,453	\$ 15,895,566	\$ 6,185,116
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 108	\$ -	\$ 108	\$ 108
Accrued liabilities	-	-	-	16,230
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	108	-	108	16,338
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	2,156,826	150,453	15,895,458	6,168,778
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	2,156,826	150,453	15,895,458	6,168,778
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,156,934	\$ 150,453	\$ 15,895,566	\$ 6,185,116

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Capital Projects Funds		
	Gilroy Community Library	Downtown Beautification	Stormwater Management
ASSETS			
Cash and investments	\$ 5,288,979	\$ 47,248	\$ 794,089
Receivables:			
Accounts	-	-	-
Due from other governments	41,927	-	-
Interest	-	-	-
Loans	-	-	-
Advances from other funds	-	-	-
Land held for resale	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
Total assets	\$ 5,330,906	\$ 47,248	\$ 794,089
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 47,248	\$ -
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	155,324	-
Total liabilities	-	202,572	-
Deferred inflows of resources:			
Unavailable revenues	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Restricted	5,330,906	-	794,089
Assigned	-	-	-
Unassigned (deficit)	-	(155,324)	-
Total fund balances (deficit)	5,330,906	(155,324)	794,089
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,330,906	\$ 47,248	\$ 794,089

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Debt Service Funds			
	2013 Refunding Bond	Gilroy Community Library	CA Energy Commission Loan	Lease Revenue Bond Series 2020A
ASSETS				
Cash and investments	\$ 228,642	\$ 1,401,327	\$ 20,690	\$ 677,445
Receivables:				
Accounts	-	9,235	-	-
Due from other governments	-	-	-	-
Interest	-	-	-	-
Loans	-	-	-	-
Advances from other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	1,827	-	-	1,313
Total assets	<u>\$ 230,469</u>	<u>\$ 1,410,562</u>	<u>\$ 20,690</u>	<u>\$ 678,758</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	230,469	1,410,562	20,690	678,758
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>230,469</u>	<u>1,410,562</u>	<u>20,690</u>	<u>678,758</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 230,469</u>	<u>\$ 1,410,562</u>	<u>\$ 20,690</u>	<u>\$ 678,758</u>

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Permanent Funds		Total Nonmajor Governmental Funds
	Henry Miller	Museum Trust	
ASSETS			
Cash and investments	\$ 15,399	\$ 44,213	\$ 69,777,899
Receivables:			
Accounts	-	-	303,504
Due from other governments	-	-	457,613
Interest	-	-	922,354
Loans	-	-	3,043,638
Advances from other funds	-	-	1,523,222
Land held for resale	-	-	706,754
Restricted assets:			
Cash and investments with fiscal agents	-	-	3,140
Total assets	\$ 15,399	\$ 44,213	\$ 76,738,124
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 789,751
Accrued liabilities	-	-	59,273
Deposits payable	-	35,299	35,299
Unearned revenue	-	-	249,201
Due to other funds	-	-	155,324
Total liabilities	-	35,299	1,288,848
Deferred inflows of resources:			
Unavailable revenues	-	-	860,105
Total deferred inflows of resources	-	-	860,105
Fund balances:			
Restricted	15,399	8,914	71,140,553
Assigned	-	-	3,603,942
Unassigned (deficit)	-	-	(155,324)
Total fund balances (deficit)	15,399	8,914	74,589,171
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,399	\$ 44,213	\$ 76,738,124

(Concluded)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Gas Tax	Pavement Management	Public Safety Grants	Prop 172 Sales Tax
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 301,913
Intergovernmental	2,867,350	-	1,030,992	-
Developer impact fees	-	-	-	-
Investment income (loss)	129,736	3,748	7,002	1,353
Miscellaneous	-	-	120,678	-
Total revenues	2,997,086	3,748	1,158,672	303,266
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	866,352	293,959
Community development	-	-	-	-
Public works	382,799	-	-	-
Capital outlay	2,675,426	-	10,861	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance cost	-	-	-	-
Total expenditures	3,058,225	-	877,213	293,959
Revenues over (under) expenditures	(61,139)	3,748	281,459	9,307
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Payment to refunded bond escrow	-	-	-	-
Transfers in	-	-	163,672	-
Transfers out	(107,363)	-	(115,271)	-
Total other financing sources (uses)	(107,363)	-	48,401	-
Net change in fund balances	(168,502)	3,748	329,860	9,307
Fund balances (deficit):				
Beginning of year	6,766,785	227,986	425,823	165,470
End of year	\$ 6,598,283	\$ 231,734	\$ 755,683	\$ 174,777

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Community Development Block Grant	Rehabilitation Loans	Housing Trust Fund	Community Facilities District
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 507,823
Intergovernmental	1,002,854	-	-	-
Developer impact fees	-	-	-	-
Investment income (loss)	7,313	5	25,173	25,397
Miscellaneous	6,346	-	537,534	-
Total revenues	1,016,513	5	562,707	533,220
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	532,454	-	325,293	-
Public works	-	-	-	347,071
Capital outlay	203,394	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance cost	-	-	-	-
Total expenditures	735,848	-	325,293	347,071
Revenues over (under) expenditures	280,665	5	237,414	186,149
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Payment to refunded bond escrow	-	-	-	-
Transfers in	-	-	169,224	-
Transfers out	(58,104)	-	(1,402)	-
Total other financing sources (uses)	(58,104)	-	167,822	-
Net change in fund balances	222,561	5	405,236	186,149
Fund balances (deficit):				
Beginning of year	1,852,207	230	2,641,218	1,476,340
End of year	\$ 2,074,768	\$ 235	\$ 3,046,454	\$ 1,662,489

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Measure B	Vehicle License Fee	Los Arroyos Fund	CalHome Funds
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,968,901	341,769	137,127	-
Developer impact fees	-	-	-	-
Investment income (loss)	32,683	21,120	9,387	5,938
Miscellaneous	-	-	-	-
Total revenues	3,001,584	362,889	146,514	5,938
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	128,866	-
Public works	300	6,934	-	-
Capital outlay	947,500	12,620	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance cost	-	-	-	-
Total expenditures	947,800	19,554	128,866	-
Revenues over (under) expenditures	2,053,784	343,335	17,648	5,938
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Payment to refunded bond escrow	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	2,053,784	343,335	17,648	5,938
Fund balances (deficit):				
Beginning of year	2,061,910	1,011,784	614,247	361,248
End of year	\$ 4,115,694	\$ 1,355,119	\$ 631,895	\$ 367,186

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds	Capital Projects Funds	
	Opioid Settlement Fund	Capital Projects	Traffic Impact
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Developer impact fees	-	-	3,465,903
Investment income (loss)	420	109,091	302,563
Miscellaneous	46,131	-	-
Total revenues	<u>46,551</u>	<u>109,091</u>	<u>3,768,466</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Public works	-	-	5,616
Capital outlay	-	2,045,998	4,034,756
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance cost	-	-	-
Total expenditures	<u>-</u>	<u>2,045,998</u>	<u>4,040,372</u>
Revenues over (under) expenditures	<u>46,551</u>	<u>(1,936,907)</u>	<u>(271,906)</u>
Other financing sources (uses):			
Issuance of debt	-	-	-
Payment to refunded bond escrow	-	-	-
Transfers in	-	-	48,769
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>48,769</u>
Net change in fund balances	<u>46,551</u>	<u>(1,936,907)</u>	<u>(223,137)</u>
Fund balances (deficit):			
Beginning of year	-	5,494,298	17,488,071
End of year	<u>\$ 46,551</u>	<u>\$ 3,557,391</u>	<u>\$ 17,264,934</u>

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Funds			
	Storm Drains	Street Trees Development	Sewer Development	Water Development
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Developer impact fees	34,005	8,008	1,122,624	317,576
Investment income (loss)	32,679	2,365	244,628	100,028
Miscellaneous	-	-	-	-
Total revenues	66,684	10,373	1,367,252	417,604
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	2,740	-	19,551	3,150
Capital outlay	-	-	-	304,913
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance cost	-	-	-	-
Total expenditures	2,740	-	19,551	308,063
Revenues over (under) expenditures	63,944	10,373	1,347,701	109,541
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Payment to refunded bond escrow	-	-	-	-
Transfers in	1,196	27	28,351	5,893
Transfers out	-	-	(1,543,668)	-
Total other financing sources (uses)	1,196	27	(1,515,317)	5,893
Net change in fund balances	65,140	10,400	(167,616)	115,434
Fund balances (deficit):				
Beginning of year	2,091,686	140,053	16,063,074	6,053,344
End of year	\$ 2,156,826	\$ 150,453	\$ 15,895,458	\$ 6,168,778

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Funds		
	Gilroy Community Library	Downtown Beautification	Stormwater Management
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	181,530	-
Developer impact fees	-	-	-
Investment income (loss)	109,700	-	10,413
Miscellaneous	-	-	783,676
Total revenues	<u>109,700</u>	<u>181,530</u>	<u>794,089</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Public works	-	477	-
Capital outlay	-	336,377	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance cost	-	-	-
Total expenditures	<u>-</u>	<u>336,854</u>	<u>-</u>
Revenues over (under) expenditures	<u>109,700</u>	<u>(155,324)</u>	<u>794,089</u>
Other financing sources (uses):			
Issuance of debt	-	-	-
Payment to refunded bond escrow	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>109,700</u>	<u>(155,324)</u>	<u>794,089</u>
Fund balances (deficit):			
Beginning of year	5,221,206	-	-
End of year	<u>\$ 5,330,906</u>	<u>\$ (155,324)</u>	<u>\$ 794,089</u>

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Debt Service Funds			
	2013 Refunding Bond	Gilroy Community Library	CA Energy Commission Loan	Lease Revenue Bond Series 2020A
Revenues:				
Taxes	\$ -	\$ 1,927,859	\$ -	\$ -
Intergovernmental	-	-	-	-
Developer impact fees	-	-	-	-
Investment income (loss)	17,956	12,594	590	9,504
Miscellaneous	-	-	-	-
Total revenues	17,956	1,940,453	590	9,504
Expenditures:				
Current:				
General government	3,623	5,490	-	4,300
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	1,035,000	1,055,605	93,359	755,000
Interest and fiscal charges	659,003	779,906	6,503	592,875
Bond issuance cost	169,268	-	-	-
Total expenditures	1,866,894	1,841,001	99,862	1,352,175
Revenues over (under) expenditures	(1,848,938)	99,452	(99,272)	(1,342,671)
Other financing sources (uses):				
Issuance of debt	14,587,831	-	-	-
Payment to refunded bond escrow	(15,352,976)	-	-	-
Transfers in	1,840,156	-	99,863	1,347,875
Transfers out	-	-	-	-
Total other financing sources (uses)	1,075,011	-	99,863	1,347,875
Net change in fund balances	(773,927)	99,452	591	5,204
Fund balances (deficit):				
Beginning of year	1,004,396	1,311,110	20,099	673,554
End of year	\$ 230,469	\$ 1,410,562	\$ 20,690	\$ 678,758

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Permanent Funds		Total Nonmajor Governmental Funds
	Henry Miller	Museum Trust	
Revenues:			
Taxes	\$ -	\$ -	\$ 2,737,595
Intergovernmental	-	-	8,530,523
Developer impact fees	-	-	4,948,116
Investment income (loss)	346	(1,578)	1,220,154
Miscellaneous	-	-	1,494,365
Total revenues	346	(1,578)	18,930,753
Expenditures:			
Current:			
General government	-	-	13,413
Public safety	-	-	1,160,311
Community development	-	-	986,613
Public works	-	-	768,638
Capital outlay	-	-	10,571,845
Debt service:			
Principal retirement	-	-	2,938,964
Interest and fiscal charges	-	-	2,038,287
Bond issuance cost	-	-	169,268
Total expenditures	-	-	18,647,339
Revenues over (under) expenditures	346	(1,578)	283,414
Other financing sources (uses):			
Issuance of debt	-	-	14,587,831
Payment to refunded bond escrow	-	-	(15,352,976)
Transfers in	-	-	3,705,026
Transfers out	-	-	(1,825,808)
Total other financing sources (uses)	-	-	1,114,073
Net change in fund balances	346	(1,578)	1,397,487
Fund balances (deficit):			
Beginning of year	15,053	10,492	73,191,684
End of year	\$ 15,399	\$ 8,914	\$ 74,589,171

(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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 3,479,081	\$ 2,579,081	\$ 2,867,350	\$ 288,269
Investment income	63,759	49,691	129,736	80,045
Total revenues	3,542,840	2,628,772	2,997,086	368,314
Expenditures:				
Current:				
Public works	1,053,598	705,889	382,799	323,090
Capital outlay	3,005,738	8,050,646	2,675,426	5,375,220
Total expenditures	4,059,336	8,756,535	3,058,225	5,698,310
REVENUE OVER				
(UNDER) EXPENDITURES	(516,496)	(6,127,763)	(61,139)	6,066,624
Other Financing Sources (Uses):				
Transfers out	(107,363)	(107,363)	(107,363)	-
Total other financing sources (uses)	(107,363)	(107,363)	(107,363)	-
NET CHANGE IN FUND BALANCE	\$ (623,859)	\$ (6,235,126)	(168,502)	\$ 6,066,624
FUND BALANCE:				
Beginning of Year			6,766,785	
End of Year			<u>\$ 6,598,283</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 1,788,500	\$ 1,788,500	\$ -	\$ (1,788,500)
Investment income	-	-	3,748	3,748
Total revenues	<u>1,788,500</u>	<u>1,788,500</u>	<u>3,748</u>	<u>(1,784,752)</u>
Expenditures:				
Capital outlay	1,788,500	1,788,500	-	1,788,500
Total expenditures	<u>1,788,500</u>	<u>1,788,500</u>	<u>-</u>	<u>1,788,500</u>
REVENUE OVER				
(UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>3,748</u>	<u>3,748</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>3,748</u>	<u>\$ 3,748</u>
FUND BALANCE:				
Beginning of Year			<u>227,986</u>	
End of Year			<u>\$ 231,734</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Intergovernmental	\$ 256,688	\$ 1,427,552	\$ 1,030,992	\$ (396,560)
Investment income	3,261	3,261	7,002	3,741
Miscellaneous	-	-	120,678	120,678
Total revenues	<u>259,949</u>	<u>1,430,813</u>	<u>1,158,672</u>	<u>(272,141)</u>
Expenditures:				
Current:				
Public safety	266,673	1,617,557	866,352	751,205
Capital outlay	-	-	10,861	(10,861)
Total expenditures	<u>266,673</u>	<u>1,617,557</u>	<u>877,213</u>	<u>740,344</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(6,724)</u>	<u>(186,744)</u>	<u>281,459</u>	<u>468,203</u>
Other Financing Sources (Uses):				
Transfers in	163,672	163,672	163,672	-
Transfers out	(154,388)	(154,388)	(115,271)	39,117
Total other financing sources (uses)	<u>9,284</u>	<u>9,284</u>	<u>48,401</u>	<u>39,117</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,560</u>	<u>\$ (177,460)</u>	<u>329,860</u>	<u>\$ 507,320</u>
FUND BALANCE:				
Beginning of Year			425,823	
End of Year			<u>\$ 755,683</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 301,000	\$ 301,000	\$ 301,913	\$ 913
Investment income	135	135	1,353	1,218
Total revenues	<u>301,135</u>	<u>301,135</u>	<u>303,266</u>	<u>2,131</u>
Expenditures:				
Current:				
Public safety	310,188	310,188	293,959	16,229
Total expenditures	<u>310,188</u>	<u>310,188</u>	<u>293,959</u>	<u>16,229</u>
REVENUE OVER				
(UNDER) EXPENDITURES	<u>(9,053)</u>	<u>(9,053)</u>	<u>9,307</u>	<u>18,360</u>
NET CHANGE IN FUND BALANCE	<u>\$ (9,053)</u>	<u>\$ (9,053)</u>	<u>9,307</u>	<u>\$ 18,360</u>
FUND BALANCE:				
Beginning of Year			<u>165,470</u>	
End of Year			<u>\$ 174,777</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 439,371	\$ 779,247	\$ 1,002,854	\$ 223,607
Investment income	2,115	2,115	7,313	5,198
Miscellaneous	-	-	6,346	6,346
Total revenues	<u>441,486</u>	<u>781,362</u>	<u>1,016,513</u>	<u>235,151</u>
Expenditures:				
Current:				
Community development	174,183	698,055	532,454	165,601
Capital outlay	-	196,099	203,394	(7,295)
Total expenditures	<u>174,183</u>	<u>894,154</u>	<u>735,848</u>	<u>158,306</u>
REVENUE OVER				
(UNDER) EXPENDITURES	<u>267,303</u>	<u>(112,792)</u>	<u>280,665</u>	<u>393,457</u>
Other Financing Sources (Uses):				
Transfers out	-	(38,452)	(58,104)	(19,652)
Total other financing sources (uses)	<u>-</u>	<u>(38,452)</u>	<u>(58,104)</u>	<u>(19,652)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 267,303</u>	<u>\$ (151,244)</u>	<u>222,561</u>	<u>\$ 373,805</u>
FUND BALANCE:				
Beginning of Year			1,852,207	
End of Year			<u>\$ 2,074,768</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Rehabilitation Loans Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 2	\$ 2	\$ 5	\$ 3
Total revenues	<u>2</u>	<u>2</u>	<u>5</u>	<u>3</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 2</u>	 <u>\$ 2</u>	 5	 <u>\$ 3</u>
 FUND BALANCE:				
Beginning of year			<u>230</u>	
End of year			<u>\$ 235</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 10,816	\$ 10,816	\$ 25,173	\$ 14,357
Miscellaneous	251,000	251,000	537,534	286,534
Total revenues	<u>261,816</u>	<u>261,816</u>	<u>562,707</u>	<u>300,891</u>
Expenditures:				
Current:				
Community development	563,353	1,125,656	325,293	800,363
Total expenditures	<u>563,353</u>	<u>1,125,656</u>	<u>325,293</u>	<u>800,363</u>
Revenues over (under)				
expenditures	<u>(301,537)</u>	<u>(863,840)</u>	<u>237,414</u>	<u>1,101,254</u>
Other financing sources (uses):				
Transfers in	-	249,052	169,224	(79,828)
Total other financing sources (uses)	<u>-</u>	<u>249,052</u>	<u>167,822</u>	<u>(81,230)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (301,537)</u>	<u>\$ (614,788)</u>	<u>405,236</u>	<u>\$ 1,020,024</u>
FUND BALANCE:				
Beginning of year			2,641,218	
End of year			<u>\$ 3,046,454</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 453,167	\$ 453,167	\$ 507,823	\$ 54,656
Investment income	7,568	7,568	25,397	17,829
Total revenues	<u>460,735</u>	<u>460,735</u>	<u>533,220</u>	<u>72,485</u>
Expenditures:				
Current:				
Public works	419,702	423,278	347,071	76,207
Total expenditures	<u>419,702</u>	<u>423,278</u>	<u>347,071</u>	<u>76,207</u>
NET CHANGE IN FUND BALANCE	<u>\$ 41,033</u>	<u>\$ 37,457</u>	186,149	<u>\$ 148,692</u>
FUND BALANCE:				
Beginning of year			1,476,340	
End of year			<u>\$ 1,662,489</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ 900,000	\$ 2,968,901	\$ 2,068,901
Investment income	-	14,068	32,683	18,615
Total revenues	-	914,068	3,001,584	2,087,516
Expenditures:				
Current:				
Public works	-	10,000	300	9,700
Capital outlay	-	1,800,000	947,500	852,500
Total expenditures	-	1,810,000	947,800	862,200
NET CHANGE IN FUND BALANCE	\$ -	\$ (895,932)	2,053,784	\$ 2,949,716
FUND BALANCE:				
Beginning of year			2,061,910	
End of year			\$ 4,115,694	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 389,944	\$ 389,944	\$ 341,769	\$ (48,175)
Investment income	9,761	9,761	21,120	11,359
Total revenues	<u>399,705</u>	<u>399,705</u>	<u>362,889</u>	<u>(36,816)</u>
Expenditures:				
Current:				
Public works	25,000	25,000	6,934	18,066
Capital outlay	998,338	1,036,498	12,620	1,023,878
Total expenditures	<u>1,023,338</u>	<u>1,061,498</u>	<u>19,554</u>	<u>1,041,944</u>
Revenues over (under)				
expenditures	<u>(623,633)</u>	<u>(661,793)</u>	<u>343,335</u>	<u>1,005,128</u>
NET CHANGE IN FUND BALANCE	<u>\$ (623,633)</u>	<u>\$ (661,793)</u>	<u>343,335</u>	<u>\$ 1,005,128</u>
FUND BALANCE:				
Beginning of year			<u>1,011,784</u>	
End of year			<u>\$ 1,355,119</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 137,127	\$ 137,127
Investment income	2,783	2,783	9,387	6,604
Total revenues	<u>2,783</u>	<u>2,783</u>	<u>146,514</u>	<u>143,731</u>
Expenditures:				
Current:				
Community development	-	101,000	128,866	(27,866)
Total expenditures	<u>-</u>	<u>101,000</u>	<u>128,866</u>	<u>(27,866)</u>
Revenues over (under)				
expenditures	<u>2,783</u>	<u>(98,217)</u>	<u>17,648</u>	<u>115,865</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,783</u>	<u>\$ (98,217)</u>	<u>17,648</u>	<u>\$ 115,865</u>
FUND BALANCE:				
Beginning of year			<u>614,247</u>	
End of year			<u>\$ 631,895</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 1,568	\$ 1,568	\$ 5,938	\$ 4,370
Miscellaneous	-	-	-	-
Total revenues	<u>1,568</u>	<u>1,568</u>	<u>5,938</u>	<u>4,370</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 1,568</u>	 <u>\$ 1,568</u>	 5,938	 <u>\$ 4,370</u>
 FUND BALANCE:				
Beginning of year			<u>361,248</u>	
End of year			<u>\$ 367,186</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 420	\$ 420
Miscellaneous	-	-	46,131	46,131
Total revenues	-	-	46,551	46,551
 NET CHANGE IN FUND BALANCE	 \$ -	 \$ -	 46,551	 \$ 46,551
 FUND BALANCE:				
Beginning of year			-	
End of year			\$ 46,551	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Investment income	\$ 35,694	\$ 35,694	\$ 109,091	\$ 73,397
Total revenues	<u>35,694</u>	<u>35,694</u>	<u>109,091</u>	<u>73,397</u>
Expenditures:				
Capital outlay	<u>300,000</u>	<u>2,804,346</u>	<u>2,045,998</u>	<u>758,348</u>
Total expenditures	<u>300,000</u>	<u>2,804,346</u>	<u>2,045,998</u>	<u>758,348</u>
Revenues over (under) expenditures	<u>(264,306)</u>	<u>(2,768,652)</u>	<u>(1,936,907)</u>	<u>831,745</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (264,306)</u></u>	<u><u>\$ (2,768,652)</u></u>	<u>(1,936,907)</u>	<u><u>\$ 831,745</u></u>
FUND BALANCE:				
Beginning of year			<u>5,494,298</u>	
End of year			<u><u>\$ 3,557,391</u></u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ 4,938,950	\$ 4,938,950	\$ 3,465,903	\$ (1,473,047)
Investment income	86,452	86,452	302,563	216,111
Total revenues	<u>5,025,402</u>	<u>5,025,402</u>	<u>3,768,466</u>	<u>(1,256,936)</u>
Expenditures:				
Current:				
Public works	10,451	407,100	5,616	401,484
Capital outlay	2,613,273	3,548,505	4,034,756	(486,251)
Total expenditures	<u>2,623,724</u>	<u>3,955,605</u>	<u>4,040,372</u>	<u>(84,767)</u>
Revenues over (under)				
expenditures	<u>2,401,678</u>	<u>1,069,797</u>	<u>(271,906)</u>	<u>(1,341,703)</u>
Other financing sources (uses):				
Transfers in	48,769	48,769	48,769	-
Total other financing sources (uses)	<u>48,769</u>	<u>48,769</u>	<u>48,769</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,450,447</u>	<u>\$ 1,118,566</u>	<u>(223,137)</u>	<u>\$ (1,341,703)</u>
FUND BALANCE:				
Beginning of year			17,488,071	
End of year			<u>\$ 17,264,934</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ 66,697	\$ 66,697	\$ 34,005	\$ (32,692)
Investment income	18,962	18,962	32,679	13,717
Total revenues	85,659	85,659	66,684	(18,975)
Expenditures:				
Current:				
Public works	5,194	5,194	2,740	2,454
Total expenditures	5,194	5,194	2,740	2,454
Revenues over (under)				
expenditures	80,465	80,465	63,944	(16,521)
Other financing sources (uses):				
Transfers in	75,395	75,395	1,196	(74,199)
Total other financing sources (uses)	75,395	75,395	1,196	(74,199)
NET CHANGE IN FUND BALANCE	\$ 155,860	\$ 155,860	65,140	\$ (90,720)
FUND BALANCE:				
Beginning of year			2,091,686	
End of year			<u>\$ 2,156,826</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Charges for services	\$ 2,000	\$ 2,000	\$ 8,008	\$ 6,008
Investment income	943	943	2,365	1,422
Total revenues	<u>2,943</u>	<u>2,943</u>	<u>10,373</u>	<u>7,430</u>
Other financing sources (uses):				
Transfers in	<u>27</u>	<u>27</u>	<u>27</u>	<u>-</u>
Total other financing sources (uses)	<u>27</u>	<u>27</u>	<u>27</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 2,970</u></u>	<u><u>\$ 2,970</u></u>	<u>10,400</u>	<u><u>\$ 7,430</u></u>
FUND BALANCE:				
Beginning of year			<u>140,053</u>	
End of year			<u><u>\$ 150,453</u></u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Sewer Development Capital Projects Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ 2,849,798	\$ 2,849,798	\$ 1,122,624	\$ (1,727,174)
Investment income	92,854	92,854	244,628	151,774
Total revenues	<u>2,942,652</u>	<u>2,942,652</u>	<u>1,367,252</u>	<u>(1,575,400)</u>
Expenditures:				
Current:				
Public works	24,818	24,818	19,551	5,267
Total expenditures	<u>24,818</u>	<u>24,818</u>	<u>19,551</u>	<u>5,267</u>
Revenues over (under)				
expenditures	<u>2,917,834</u>	<u>2,917,834</u>	<u>1,347,701</u>	<u>(1,570,133)</u>
Other financing sources (uses):				
Transfers in	386,083	386,083	28,351	(357,732)
Transfers out	(2,556,800)	(2,556,800)	(1,543,668)	1,013,132
Total other financing sources (uses)	<u>(2,170,717)</u>	<u>(2,170,717)</u>	<u>(1,515,317)</u>	<u>655,400</u>
NET CHANGE IN FUND BALANCE	<u>\$ 747,117</u>	<u>\$ 747,117</u>	<u>(167,616)</u>	<u>\$ (914,733)</u>
FUND BALANCE:				
Beginning of year			16,063,074	
End of year			<u>\$ 15,895,458</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Development Capital Projects Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ 950,336	\$ 950,336	\$ 317,576	\$ (632,760)
Investment income	32,895	32,895	100,028	67,133
Total revenues	<u>983,231</u>	<u>983,231</u>	<u>417,604</u>	<u>(565,627)</u>
Expenditures:				
Current:				
Public works	2,673,406	8,106	3,150	4,956
Capital outlay	-	3,193,029	304,913	2,888,116
Total expenditures	<u>2,673,406</u>	<u>3,201,135</u>	<u>308,063</u>	<u>2,893,072</u>
Revenues over (under)				
expenditures	<u>(1,690,175)</u>	<u>(2,217,904)</u>	<u>109,541</u>	<u>2,327,445</u>
Other financing sources (uses):				
Transfers in	5,893	5,893	5,893	-
Total other financing sources (uses)	<u>5,893</u>	<u>5,893</u>	<u>5,893</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,684,282)</u>	<u>\$ (2,212,011)</u>	<u>115,434</u>	<u>\$ 2,327,445</u>
FUND BALANCE:				
Beginning of year			<u>6,053,344</u>	
End of year			<u>\$ 6,168,778</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income (loss)	\$ 66	\$ 66	\$ 109,700	\$ 109,634
Total revenues	<u>66</u>	<u>66</u>	<u>109,700</u>	<u>109,634</u>
Revenues over (under)				
expenditures	<u>66</u>	<u>66</u>	<u>109,700</u>	<u>109,634</u>
NET CHANGE IN FUND BALANCE	<u>\$ 66</u>	<u>\$ 66</u>	<u>109,700</u>	<u>\$ 109,634</u>
FUND BALANCE:				
Beginning of year			<u>5,221,206</u>	
End of year			<u>\$ 5,330,906</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	3,960,765	181,530	(3,779,235)
Total revenues	-	3,960,765	181,530	(3,779,235)
Expenditures:				
Current:				
Public works	-	201,600	477	201,123
Capital outlay	-	3,759,165	336,377	3,422,788
Total expenditures	-	3,960,765	336,854	3,623,911
Revenues over (under)				
expenditures	-	-	(155,324)	(155,324)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(155,324)	\$ (155,324)
FUND BALANCE(DEFICIT):				
Beginning of year			-	
End of year			\$ (155,324)	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 10,413	\$ 10,413
Miscellaneous	-	-	783,676	783,676
Total revenues	-	-	794,089	794,089
 Revenues over (under)				
expenditures	-	-	794,089	794,089
 NET CHANGE IN FUND BALANCE	\$ -	\$ -	794,089	\$ 794,089
 FUND BALANCE:				
Beginning of year			-	
End of year			\$ 794,089	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
2013 Refunding Bond Debt Service Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 920	\$ 920	\$ 17,956	\$ 17,036
Total revenues	<u>920</u>	<u>920</u>	<u>17,956</u>	<u>17,036</u>
Expenditures:				
Current:				
General government	8,600	8,600	3,623	4,977
Debt service:				
Principal retirement	1,035,000	1,035,000	1,035,000	-
Interest and fiscal charges	805,156	805,156	659,003	146,153
Bond issuance cost	-	-	169,268	(169,268)
Total expenditures	<u>1,848,756</u>	<u>1,848,756</u>	<u>1,866,894</u>	<u>(18,138)</u>
Revenues over (under)				
expenditures	<u>(1,847,836)</u>	<u>(1,847,836)</u>	<u>(1,848,938)</u>	<u>(1,102)</u>
Other financing sources (uses):				
Issuance of debt	-	-	14,587,831	(14,587,831)
Payment to refunded bond escrow	-	-	(15,352,976)	15,352,976
Transfers in	1,840,156	1,840,156	1,840,156	-
Total other financing sources (uses)	<u>1,840,156</u>	<u>1,840,156</u>	<u>1,075,011</u>	<u>765,145</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,680)</u>	<u>\$ (7,680)</u>	<u>(773,927)</u>	<u>\$ (766,247)</u>
FUND BALANCE:				
Beginning of year			1,004,396	
End of year			<u>\$ 230,469</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 2,019,504	\$ 2,019,504	\$ 1,927,859	\$ (91,645)
Investment income	5,296	5,296	12,594	7,298
Total revenues	<u>2,024,800</u>	<u>2,024,800</u>	<u>1,940,453</u>	<u>(84,347)</u>
Expenditures:				
Current:				
General government	600	600	5,490	(4,890)
Debt service:				
Principal retirement	1,055,605	1,055,605	1,055,605	-
Interest and fiscal charges	779,906	779,906	779,906	-
Total expenditures	<u>1,836,111</u>	<u>1,836,111</u>	<u>1,841,001</u>	<u>(4,890)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 188,689</u>	<u>\$ 188,689</u>	99,452	<u>\$ (89,237)</u>
FUND BALANCE:				
Beginning of year			<u>1,311,110</u>	
End of year			<u>\$ 1,410,562</u>	

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 250	\$ 250	\$ 590	\$ 340
Total revenues	<u>250</u>	<u>250</u>	<u>590</u>	<u>340</u>
Expenditures:				
Debt service:				
Principal retirement	93,359	93,359	93,359	-
Interest and fiscal charges	<u>6,503</u>	<u>6,503</u>	<u>6,503</u>	<u>-</u>
Total expenditures	<u>99,862</u>	<u>99,862</u>	<u>99,862</u>	<u>-</u>
Revenues over (under)				
expenditures	<u>(99,612)</u>	<u>(99,612)</u>	<u>(99,272)</u>	<u>340</u>
Other financing sources (uses):				
Transfers in	<u>99,863</u>	<u>99,863</u>	<u>99,863</u>	<u>-</u>
Total other financing sources (uses)	<u>99,863</u>	<u>99,863</u>	<u>99,863</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 251</u>	<u>\$ 251</u>	<u>591</u>	<u>\$ 340</u>
FUND BALANCE:				
Beginning of year			<u>20,099</u>	
End of year			<u>\$ 20,690</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Lease Revenue Bonds Series 2020A Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 9,504	\$ 9,504
Total revenues	<u>-</u>	<u>-</u>	<u>9,504</u>	<u>9,504</u>
Expenditures:				
Current:				
General government	8,600	8,600	4,300	4,300
Debt service:				
Principal retirement	755,000	755,000	755,000	-
Interest and fiscal charges	592,875	592,875	592,875	-
Total expenditures	<u>1,356,475</u>	<u>1,356,475</u>	<u>1,352,175</u>	<u>4,300</u>
Revenues over (under)				
expenditures	<u>(1,356,475)</u>	<u>(1,356,475)</u>	<u>(1,342,671)</u>	<u>13,804</u>
Other financing sources (uses):				
Transfers in	1,347,875	1,347,875	1,347,875	-
Total other financing sources (uses)	<u>1,347,875</u>	<u>1,347,875</u>	<u>1,347,875</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (8,600)</u>	<u>\$ (8,600)</u>	<u>5,204</u>	<u>\$ 13,804</u>
FUND BALANCE:				
Beginning of year			673,554	
End of year			<u>\$ 678,758</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Henry Miller Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 346	\$ 346
Total revenues	-	-	346	346
Revenues over (under)				
expenditures	-	-	346	346
NET CHANGE IN FUND BALANCE	\$ -	\$ -	346	\$ 346
FUND BALANCE:				
Beginning of year			15,053	
End of year			\$ 15,399	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Museum Trust Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income (loss)	\$ -	\$ -	\$ (1,578)	\$ (1,578)
Total revenues	<u>-</u>	<u>-</u>	<u>(1,578)</u>	<u>(1,578)</u>
Revenues over (under)				
expenditures	<u>-</u>	<u>-</u>	<u>(1,578)</u>	<u>(1,578)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(1,578)</u>	<u>\$ (1,578)</u>
FUND BALANCE:				
Beginning of year			10,492	
End of year			<u>\$ 8,914</u>	



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, 2023

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
ASSETS				
Current assets:				
Cash and investments	\$ 3,683,422	\$ 3,834,109	\$ 4,595,296	\$ 2,444,912
Accounts receivable	-	-	-	3,116
Interest receivable	-	-	-	-
Lease receivable - current	-	-	-	-
Prepaid items	-	-	-	-
Total current assets	3,683,422	3,834,109	4,595,296	2,448,028
Noncurrent assets:				
Interfund loans receivable	2,496,513	-	-	-
Lease receivable -noncurrent	-	-	-	-
Capital assets:				
Nondepreciable	62,694	-	-	-
Depreciable and amortizable, net	4,033,822	511,871	-	-
Total capital assets	4,096,516	511,871	-	-
Total noncurrent assets	6,593,029	511,871	-	-
Total assets	10,276,451	4,345,980	4,595,296	2,448,028
LIABILITIES				
Current Liabilities:				
Accounts payable	92,072	10,495	-	13,313
Accrued liabilities	49,070	-	-	350
Interest payable	-	-	-	-
Deposit payable	-	-	-	-
Compensated absences, current portion	1,285	-	-	-
Long term debt, current portion	-	-	-	-
Claims payable, current portion	-	-	965,000	717,152
Total current liabilities	142,427	10,495	965,000	730,815
Noncurrent liabilities:				
Compensated absences, noncurrent portion	11,564	-	-	-
Long term debt, noncurrent portion	-	-	-	-
Claims payable	-	-	5,398,000	1,566,768
Total noncurrent liabilities	11,564	-	5,398,000	1,566,768
Total liabilities	153,991	10,495	6,363,000	2,297,583
DEFERRED INFLOW OF RESOURCES				
Deferred inflow of resources related to leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION:				
Net investment in capital assets	4,096,516	511,871	-	-
Unrestricted (deficit)	6,025,944	3,823,614	(1,767,704)	150,445
Total net position	\$ 10,122,460	\$ 4,335,485	\$ (1,767,704)	\$ 150,445

(Continued)

City of Gilroy
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2023

	Facility Services	Information Technologies	Personnel Benefits	Total
ASSETS				
Current assets:				
Cash and investments	\$ 1,441,123	2,177,169	\$ 1,621,759	\$ 19,797,790
Accounts receivable	51,057	-	-	54,173
Interest receivable	1,462	-	-	1,462
Lease receivable - current	96,347	-	-	96,347
Prepaid items	-	110,601	-	110,601
Total current assets	1,589,989	2,287,770	1,621,759	20,060,373
Noncurrent assets:				
Interfund loans receivable	-	-	-	2,496,513
Lease receivable -noncurrent	654,102	-	-	654,102
Capital assets:				
Nondepreciable	368,739	2,468,301	-	2,899,734
Depreciable and amortizable, net	-	1,946,724	-	6,492,417
Total capital assets	368,739	4,415,025	-	9,392,151
Total noncurrent assets	1,022,841	4,415,025	-	12,542,766
Total assets	2,612,830	6,702,795	1,621,759	32,603,139
LIABILITIES				
Current Liabilities:				
Accounts payable	149,643	301,567	16,888	583,978
Accrued liabilities	44,725	42,256	1,462,409	1,598,810
Interest payable	-	5,447	-	5,447
Deposit payable	4,277	-	-	4,277
Compensated absences, current portion	3,544	2,969	-	7,798
Long term debt, current portion	-	311,213	-	311,213
Claims payable, current portion	-	-	-	1,682,152
Total current liabilities	202,189	663,452	1,479,297	4,193,675
Noncurrent liabilities:				
Compensated absences, noncurrent portion	31,900	26,721	-	70,185
Long term debt, noncurrent portion	-	313,880	-	313,880
Claims payable	-	-	-	6,964,768
Total noncurrent liabilities	31,900	340,601	-	7,348,833
Total liabilities	234,089	1,004,053	1,479,297	11,542,508
DEFERRED INFLOW OF RESOURCES				
Deferred inflow of resources related to leases	694,822	-	-	694,822
Total deferred inflows of resources	694,822	-	-	694,822
NET POSITION:				
Net investment in capital assets	368,739	4,415,025	-	9,392,151
Unrestricted (deficit)	1,315,180	1,283,717	142,462	10,973,658
Total net position	\$ 1,683,919	\$ 5,698,742	\$ 142,462	\$ 20,365,809

(Concluded)

City of Gilroy
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
OPERATING REVENUES:				
Charges for services	\$ 2,422,110	\$ 685,718	\$ 1,500,000	\$ 1,380,224
Miscellaneous	18,354	-	-	153,876
Total operating revenues	2,440,464	685,718	1,500,000	1,534,100
OPERATING EXPENSES:				
Current:				
Operations	1,772,050	-	17,260	-
Depreciation/Amortization expense	530,385	112,032	-	-
Administration	75,069	-	129,581	20,447
Claims and judgments	-	-	195,641	384,127
Insurance premiums	-	-	323,582	1,989,613
Total operating expenses	2,377,504	112,032	666,064	2,394,187
OPERATING INCOME (LOSS)	62,960	573,686	833,936	(860,087)
NONOPERATING REVENUES:				
Investment income	101,127	59,871	65,505	29,318
Interest expense	-	-	-	-
Loss on disposal of capital assets	(47)	(4,404)	-	-
Total nonoperating revenues	101,080	55,467	65,505	29,318
INCOME (LOSS) BEFORE TRANSFERS	164,040	629,153	899,441	(830,769)
CHANGES IN NET POSITION	164,040	629,153	899,441	(830,769)
NET POSITION(DEFICIT):				
Beginning of year, as restated	9,958,420	3,706,332	(2,667,145)	981,214
End of year	<u>\$ 10,122,460</u>	<u>\$ 4,335,485</u>	<u>\$ (1,767,704)</u>	<u>\$ 150,445</u>

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	Facility Services	Information Technologies	Personnel Benefits	Total
OPERATING REVENUES:				
Charges for services	\$ 2,292,307	\$ 2,912,645	\$ 374,756	\$ 11,567,760
Miscellaneous	348,237	-	-	520,467
Total operating revenues	2,640,544	2,912,645	374,756	12,088,227
OPERATING EXPENSES:				
Current:				
Operations	3,092,180	2,625,194	232,598	7,739,282
Depreciation/Amortization expense	-	557,288	-	1,199,705
Administration	7,637	13,463	-	246,197
Claims and judgments	17,881	-	-	597,649
Insurance premiums	-	-	-	2,313,195
Total operating expenses	3,117,698	3,195,945	232,598	12,096,028
OPERATING INCOME (LOSS)	(477,154)	(283,300)	142,158	(7,801)
NONOPERATING REVENUES:				
Investment income	40,494	47,781	-	344,096
Interest expense	-	(15,419)	-	(15,419)
Loss on disposal of capital assets	-	-	-	(4,451)
Total nonoperating revenues	40,494	32,362	-	324,226
INCOME (LOSS) BEFORE TRANSFERS	(436,660)	(250,938)	142,158	316,425
CHANGES IN NET POSITION	(436,660)	(250,938)	142,158	316,425
NET POSITION(DEFICIT):				
Beginning of year, as restated	2,120,579	5,949,680	304	20,049,384
End of year	<u>\$ 1,683,919</u>	<u>\$ 5,698,742</u>	<u>\$ 142,462</u>	<u>\$ 20,365,809</u>

(Concluded)

City of Gilroy
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 2,440,464	\$ 685,718	\$ 1,500,000	\$ 1,531,014
Cash paid to suppliers for goods and services	(1,744,899)	-	(147,406)	(403,739)
Cash paid to employees for services	(13,986)	-	-	-
Cash paid for insurance claims	-	-	(825,223)	(1,727,977)
Net cash provided by (used in) operating activities	681,579	685,718	527,371	(600,702)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	252,117	-	-	-
Net cash provided by noncapital financing activities	252,117	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(1,053,238)	-	-	-
Proceeds from sale of capital assets	46,453	-	-	-
Issuance of new subscription	-	-	-	-
Principal paid	-	-	-	-
Interest paid	-	-	-	-
Net cash (used in) capital and related financing activities	(1,006,785)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	101,127	59,871	65,505	29,318
Net cash provided by investing activities	101,127	59,871	65,505	29,318
Net change in cash and cash equivalents	28,038	745,589	592,876	(571,384)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Beginning of year	3,655,384	3,088,520	4,002,420	3,016,296
End of year	<u>\$ 3,683,422</u>	<u>\$ 3,834,109</u>	<u>\$ 4,595,296</u>	<u>\$ 2,444,912</u>
CASH AND CASH EQUIVALENTS:				
Cash and investments	\$ 3,683,422	\$ 3,834,109	\$ 4,595,296	\$ 2,444,912
Total cash and cash equivalents	<u>\$ 3,683,422</u>	<u>\$ 3,834,109</u>	<u>\$ 4,595,296</u>	<u>\$ 2,444,912</u>
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ 62,960	\$ 573,686	\$ 833,936	\$ (860,087)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	530,385	112,032	-	-
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	-	-	-	(3,116)
(Increase)/decrease in lease receivables	-	-	-	-
(Increase)/decrease in inventory	-	-	-	-
(Increase)/decrease in prepaid items	-	-	-	-
Increase/(decrease) in accounts payable	87,322	-	(565)	835
Increase/(decrease) in accrued liabilities	10,182	-	-	30
Increase/(decrease) in deposit payable	-	-	-	-
Increase/(decrease) in compensated absences	(9,270)	-	-	-
Increase/(decrease) in claims payable	-	-	(306,000)	261,636
Increase/(decrease) in deferred inflows of resources lease related	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 681,579</u>	<u>\$ 685,718</u>	<u>\$ 527,371</u>	<u>\$ (600,702)</u>

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(Continued)

City of Gilroy
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	Facility Services	Information Technologies	Personnel Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 2,588,118	\$ 2,912,645	\$ 374,765	\$ 12,032,724
Cash paid to suppliers for goods and services	(3,106,767)	(2,620,113)	(109,606)	(8,132,530)
Cash paid to employees for services	(118,314)	(1,167)	-	(133,467)
Cash paid for insurance claims	(17,881)	-	-	(2,571,081)
Net cash provided by (used in) operating activities	(654,844)	291,365	265,159	1,195,646
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	-	-	-	252,117
Net cash provided by noncapital financing activities	-	-	-	252,117
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(23,529)	(1,124,189)	-	(2,200,956)
Proceeds from sale of capital assets	-	-	-	46,453
Issuance of new subscription	-	165,908	-	165,908
Principal paid	-	(408,524)	-	(408,524)
Interest paid	-	(9,972)	-	(9,972)
Net cash (used in) capital and related financing activities	(23,529)	(1,376,777)	-	(2,407,091)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	39,778	47,781	-	343,380
Net cash provided by investing activities	39,778	47,781	-	343,380
Net change in cash and cash equivalents	(638,595)	(1,037,631)	265,159	(615,948)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Beginning of year	2,079,718	3,214,800	1,356,600	20,413,738
End of year	<u>\$ 1,441,123</u>	<u>\$ 2,177,169</u>	<u>\$ 1,621,759</u>	<u>\$ 19,797,790</u>
CASH AND CASH EQUIVALENTS:				
Cash and investments	\$ 1,441,123	\$ 2,177,169	\$ 1,621,759	\$ 19,797,790
Total cash and cash equivalents	<u>\$ 1,441,123</u>	<u>\$ 2,177,169</u>	<u>\$ 1,621,759</u>	<u>\$ 19,797,790</u>
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ (477,154)	\$ (283,300)	\$ 142,158	\$ (7,801)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	-	557,288	-	1,199,705
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	(27,484)	-	9	(30,591)
(Increase)/decrease in lease receivables	49,370	-	-	49,370
(Increase)/decrease in inventory	-	-	-	-
(Increase)/decrease in prepaid items	-	(24,926)	-	(24,926)
Increase/(decrease) in accounts payable	(60,768)	43,470	1,117	71,411
Increase/(decrease) in accrued liabilities	(60,863)	2,028	121,875	73,252
Increase/(decrease) in deposit payable	1	-	-	1
Increase/(decrease) in compensated absences	(3,633)	(3,195)	-	(16,098)
Increase/(decrease) in claims payable	-	-	-	(44,364)
Increase/(decrease) in deferred inflows of resources lease related	(74,313)	-	-	(74,313)
Net cash provided by (used in) operating activities	<u>\$ (654,844)</u>	<u>\$ 291,365</u>	<u>\$ 265,159</u>	<u>\$ 1,195,646</u>

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(Concluded)



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.



City of Gilroy
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds		
	Senior Advisory Board	Highway 152 Series 2018	Total
Assets:			
Cash and investments	\$ 9,090	\$ 831,309	\$ 840,399
Cash and investments with fiscal agent	-	299,364	299,364
Account receivables	-	9,549	9,549
Total Assets	<u>9,090</u>	<u>1,140,222</u>	<u>1,149,312</u>
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	9,090	1,140,222	1,149,312
Total Net Position	<u>\$ 9,090</u>	<u>\$ 1,140,222</u>	<u>\$ 1,149,312</u>

City of Gilroy
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Funds		
	Senior Advisory Board	Highway 152 Series 2018	Total
ADDITIONS:			
Taxes	\$ -	\$ 932,693	\$ 932,693
Investment income	146	15,127	15,273
Other income	58	-	58
Total additions	204	947,820	948,024
DEDUCTIONS			
General administration	-	43,453	43,453
Payments on conduit bonds - principal	-	701,610	701,610
Payments on conduit bonds - interest	-	184,083	184,083
Total deductions	-	929,146	929,146
CHANGE IN NET POSITION	204	18,674	18,878
NET POSITION:			
Beginning of year	8,886	1,121,548	1,130,434
End of year	\$ 9,090	\$ 1,140,222	\$ 1,149,312

STATISTICAL SECTION



STATISTICAL SECTION
(Unaudited)

This part of the City of Gilroy's comprehensive annual 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.

<u>Contents</u>	<u>Page</u>
Financial Trends	174-183
<i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	184-195
<i>These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	196-203
<i>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.</i>	
Demographic and Economic Information	205-206
<i>These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	207-211
<i>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.</i>	

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

City of Gilroy
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental Activities:					
Net investment in capital assets	\$ 162,950,296	\$ 167,625,947	\$ 159,684,128	\$ 154,863,285	\$ 159,069,886
Restricted	24,277,233	22,320,085.00	35,564,991	41,636,040	48,731,281
Unrestricted (deficit)	28,892,199	(26,524,001)	(25,032,197)	(25,229,815)	(36,193,491)
Total governmental activities net position	216,119,728	163,422,031	170,216,922	171,269,510	171,607,676
Business-type Activities:					
Net investment in capital assets	88,728,174	90,335,349	90,917,108	88,183,287	87,336,604
Restricted	-	-	-	-	-
Unrestricted	85,736,094	84,832,390	88,668,400	93,612,020	98,375,675
Total business-type activities net position	174,464,268	175,167,739	179,585,508	181,795,307	185,712,279
Primary Government:					
Net investment in capital assets	251,678,470	257,961,296	250,601,236	243,046,572	246,406,490
Restricted	24,277,233	22,320,085	35,564,991	41,636,040	48,731,281
Unrestricted	114,628,293	58,308,389	63,636,203	68,382,205	62,182,184
Total primary government net position	\$ 390,583,996	\$ 338,589,770	\$ 349,802,430	\$ 353,064,817	\$ 357,319,955

City of Gilroy
Net Position By Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental Activities:					
Net investment in capital assets	\$ 156,750,373	\$ 151,904,792	\$ 149,891,568	\$ 147,079,194	\$ 149,484,869
Restricted	49,688,804	57,137,761	57,570,568	71,627,654	2,696,317
Unrestricted (deficit)	(37,759,850)	(42,674,183)	(42,545,831)	(28,023,535)	9,788,254
Total governmental activities net position	168,679,327	166,368,370	164,916,305	190,683,313	161,969,440
Business-type Activities:					
Net investment in capital assets	91,134,932	86,503,324	83,119,598	73,389,328	56,102,435
Restricted	-	-	-	-	-
Unrestricted	100,053,259	97,543,664	99,198,302	109,250,688	130,281,582
Total business-type activities net position	191,188,191	184,046,988	182,317,900	182,640,016	186,384,017
Primary Government:					
Net investment in capital assets	247,885,305	238,408,116	233,011,166	220,468,522	205,587,304
Restricted	49,688,804	57,137,761	57,570,568	71,627,654	75,520,059
Unrestricted	62,293,409	54,869,481	56,652,471	81,227,153	100,734,373
Total primary government net position	\$ 359,867,518	\$ 350,415,358	\$ 347,234,205	\$ 373,323,329	\$ 381,841,736

City of Gilroy
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses:					
Governmental activities:					
General government	\$ 3,795,033	\$ 3,619,582	\$ 3,900,226	\$ 6,437,408	\$ 7,315,065
Public safety	29,696,344	30,273,444	31,020,245	33,393,829	35,591,790
Community development	14,824,460	15,901,215	21,413,283	19,167,193	19,211,323
Public works	7,726,938	7,807,765	8,217,318	8,978,597	9,654,957
Recreation services	-	-	-	-	-
Interest and other charges	3,744,396	3,406,855	3,327,992	3,256,733	3,147,606
Total governmental activities expenses	59,787,171	61,008,861	67,879,064	71,233,760	74,920,741
Business-type activities					
Sewer	9,929,622	9,806,990	12,298,662	12,060,236	11,538,388
Water	8,642,660	8,329,710	8,370,320	9,197,426	9,937,768
Total business-type activities expenses	18,572,282	18,136,700	20,668,982	21,257,662	21,476,156
Total primary government expenses	\$ 78,359,453	\$ 79,145,561	\$ 88,548,046	\$ 92,491,422	\$ 96,396,897
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 1,415,106	\$ 2,096,137	\$ 1,651,713	\$ 3,087,335	\$ 3,280,977
Public safety	897,059	1,030,410	1,146,593	1,439,418	959,277
Community development	5,434,764	7,385,391	6,145,791	5,207,571	6,430,321
Public works	810,503	886,988	978,780	986,582	977,834
Recreation services	-	-	-	-	-
Operating grants and contributions	15,057,119	13,109,933	22,838,535	15,860,767	19,389,757
Capital grants and contributions	3,157,642	8,999,636	3,820,892	5,438,560	10,319,300
Total governmental activities program revenues	26,772,193	33,508,495	36,582,304	32,020,233	41,357,466
Business-type activities:					
Charges for services:					
Sewer	10,359,334	-	11,984,798	12,833,030	12,961,285
Water	8,640,784	-	7,330,300	9,156,082	11,343,036
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	179,707	-	5,086,464	1,172,844	2,330,335
Total business-type activities program revenues	19,179,825	-	24,401,562	23,161,956	26,634,656
Total primary government program revenues	\$ 45,952,018	\$ 33,508,495	\$ 60,983,866	\$ 55,182,189	\$ 67,992,122
Net revenue (expense):					
Governmental activities	\$ (33,014,978)	\$ (27,500,366)	\$ (31,296,760)	\$ (39,213,527)	\$ (33,563,275)
Business-type activities	607,543	(18,136,700)	3,732,580	1,904,294	5,158,500
Total primary government net expense	\$ (32,407,435)	\$ (45,637,066)	\$ (27,564,180)	\$ (37,309,233)	\$ (28,404,775)

City of Gilroy
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Expenses:					
Governmental activities:					
General government	\$ 7,696,445	\$ 6,131,791	\$ 7,315,868	\$ 2,696,317	\$ 10,440,465
Public safety	37,837,438	40,088,865	40,797,962	9,788,254	42,789,395
Community development	18,348,409	8,556,959	7,147,532	7,689,175	6,999,373
Public works	9,526,627	23,525,423	16,862,660	13,840,272	17,285,317
Recreation services	-	-	1,779,121	1,600,210	1,755,454
Interest and other charges	3,226,849	2,431,588	2,081,420	2,089,473	2,199,547
Total governmental activities expenses	<u>76,635,768</u>	<u>80,734,626</u>	<u>75,984,563</u>	<u>37,703,701</u>	<u>81,469,551</u>
Business-type activities					
Sewer	14,044,716	14,668,434	15,820,944	12,678,990	12,134,168
Water	11,777,220	12,603,780	16,435,598	10,930,989	11,574,875
Total business-type activities expenses	<u>25,821,936</u>	<u>27,272,214</u>	<u>32,256,542</u>	<u>23,609,979</u>	<u>23,709,043</u>
Total primary government expenses	<u>\$ 102,457,704</u>	<u>\$ 108,006,840</u>	<u>\$ 108,241,105</u>	<u>\$ 61,313,680</u>	<u>\$ 105,178,594</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 3,726,486	\$ 3,550,758	\$ 2,815,647	\$ 4,595,133	\$ 4,645,730
Public safety	1,234,017	1,188,951	1,242,281	476,918	713,565
Community development	6,624,477	3,909,360	4,185,811	3,346,864	3,513,190
Public works	1,009,235	715,299	3,593,959	1,317,695	1,122,432
Recreation services	-	-	223,154	599,265	561,859
Operating grants and contributions	13,146,274	14,247,635	16,482,904	15,464,192	8,683,432
Capital grants and contributions	2,649,021	1,931,458	2,000,357	18,227,036	7,203,431
Total governmental activities program revenues	<u>28,389,510</u>	<u>25,543,461</u>	<u>30,544,113</u>	<u>44,027,103</u>	<u>26,443,639</u>
Business-type activities:					
Charges for services:					
Sewer	12,904,657	12,872,189	12,702,398	12,912,113	13,037,892
Water	12,294,119	14,590,973	14,830,153	13,959,847	13,286,485
Operating grants and contributions	-	-	-	414,952	47,697
Capital grants and contributions	4,160,510	2,439,117	2,511,059	566,140	561,591
Total business-type activities program revenues	<u>29,359,286</u>	<u>29,902,279</u>	<u>30,043,610</u>	<u>27,853,052</u>	<u>26,933,665</u>
Total primary government program revenues	<u>\$ 57,748,796</u>	<u>\$ 55,445,740</u>	<u>\$ 60,587,723</u>	<u>\$ 71,880,155</u>	<u>\$ 53,377,304</u>
Net revenue (expense):					
Governmental activities	\$ (48,246,258)	\$ (55,191,165)	\$ (45,440,450)	\$ 6,323,402	\$ (55,025,912)
Business-type activities	<u>3,537,350</u>	<u>2,630,065</u>	<u>(2,212,932)</u>	<u>4,243,073</u>	<u>3,224,622</u>
Total primary government net expense	<u>\$ (44,708,908)</u>	<u>\$ (52,561,100)</u>	<u>\$ (47,653,382)</u>	<u>\$ 10,566,475</u>	<u>\$ (51,801,290)</u>

City of Gilroy
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General revenues and other changes in net position:					
Governmental Activities:					
Taxes:					
Property taxes	\$ 9,728,458	\$ 10,862,568	\$ 11,468,510	\$ 12,278,553	\$ 13,161,002
Sales tax	14,423,130	15,858,910	17,884,735	17,768,469	18,827,189
Transient occupancy taxes	1,234,798	1,501,837	1,676,691	1,709,332	1,722,355
Franchise tax	1,408,045	1,463,770	1,569,059	1,623,951	1,713,690
Other taxes	4,759,067	4,905,868	5,116,588	5,264,486	5,192,899
Investment income	630,095	619,139	647,057	900,622	1,190,732
State motor vehicle in lieu	22,072	21,479	21,385	24,715	29,444
Other	632,113	164,321	392,815	15,188	571,340
Transfers	(678,707)	(689,011)	(685,189)	(305,505)	1,241,528
Total governmental activities	<u>32,159,071</u>	<u>34,708,881</u>	<u>38,091,651</u>	<u>39,279,811</u>	<u>43,650,179</u>
Business-type activities:					
Investment and rental income	-	-	-	-	-
Other	-	-	-	-	-
Transfers	<u>678,707</u>	<u>689,011</u>	<u>685,189</u>	<u>305,505</u>	<u>(1,241,528)</u>
Total business-type activities	<u>678,707</u>	<u>689,011</u>	<u>685,189</u>	<u>305,505</u>	<u>(1,241,528)</u>
Total primary government	<u>\$ 32,837,778</u>	<u>\$ 35,397,892</u>	<u>\$ 38,776,840</u>	<u>\$ 39,585,316</u>	<u>\$ 42,408,651</u>
Changes in net position:					
Governmental activities	\$ (855,907)	\$ 7,208,515	\$ 6,794,891	\$ 66,284	\$ 10,086,904
Business-type activities	<u>1,286,250</u>	<u>3,800,429</u>	<u>4,417,769</u>	<u>2,209,799</u>	<u>3,916,972</u>
Total primary government	<u>\$ 430,343</u>	<u>\$ 11,008,944</u>	<u>\$ 11,212,660</u>	<u>\$ 2,276,083</u>	<u>\$ 14,003,876</u>
Net Position (Net Assets), Beginning					
Beginning Fund Balance Restatement ⁽¹⁾	390,153,653	327,580,826	338,589,770	348,802,430	343,316,059
Changes in Net Position (Net Assets)	<u>430,343</u>	<u>11,008,944</u>	<u>11,212,660</u>	<u>2,276,083</u>	<u>14,003,876</u>
Net Position (Net Assets), Ending	<u>\$ 390,583,996</u>	<u>\$ 338,589,770</u>	<u>\$ 349,802,430</u>	<u>\$ 351,078,513</u>	<u>\$ 357,319,935</u>

⁽¹⁾ Net Position, as restated in FY2023, 2020, 2018, and 2015

City of Gilroy
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
General revenues and other changes in net position:					
Governmental Activities:					
Taxes:				2,696,317	
Property taxes	\$ 14,476,481	\$ 15,595,639	\$ 17,016,855	\$ 9,788,254	\$ 21,600,130
Sales tax	20,186,105	17,233,882	18,584,534	23,216,109	22,936,208
Transient occupancy taxes	1,771,882	1,237,812	1,105,300	1,545,721	1,754,615
Franchise tax	1,669,817	1,855,622	1,732,613	1,874,046	2,198,150
Other taxes	5,093,813	5,667,201	5,030,153	6,107,309	6,955,492
Investment income	2,567,147	2,039,471	502,770	(418,588)	3,438,121
State motor vehicle in lieu	26,695	-	-	-	-
Other	166,316	127,479	644,291	3,345,996	1,417,790
Transfers	(640,347)	(447,847)	(641,121)	(74,279)	(878,113)
Total governmental activities	<u>45,317,909</u>	<u>43,309,259</u>	<u>43,975,395</u>	<u>45,384,568</u>	<u>59,422,393</u>
Business-type activities:					
Investment and rental income	1,298,215	1,169,133	(157,277)	(4,011,115)	(365,320)
Other	-	-	-	15,879	6,586
Transfers	640,347	447,847	641,121	74,279	878,113
Total business-type activities	<u>1,938,562</u>	<u>1,616,980</u>	<u>483,844</u>	<u>(3,920,957)</u>	<u>519,379</u>
Total primary government	<u>\$ 47,256,471</u>	<u>\$ 44,926,239</u>	<u>\$ 44,459,239</u>	<u>\$ 41,463,611</u>	<u>\$ 59,941,772</u>
Changes in net position:					
Governmental activities	\$ (3,209,094)	\$ (11,881,906)	\$ (1,465,055)	\$ 51,707,970	\$ 4,396,481
Business-type activities	<u>5,475,912</u>	<u>4,247,045</u>	<u>(1,729,088)</u>	<u>322,116</u>	<u>3,744,001</u>
Total primary government	<u>\$ 2,266,818</u>	<u>\$ (7,634,861)</u>	<u>\$ (3,194,143)</u>	<u>\$ 52,030,086</u>	<u>\$ 8,140,482</u>
Net Position (Net Assets), Beginning					
Beginning Fund Balance Restatement ⁽¹⁾	357,319,955	358,050,219	350,428,348	347,234,205	373,701,254
Changes in Net Position (Net Assets)	<u>2,266,818</u>	<u>(7,634,861)</u>	<u>(3,194,143)</u>	<u>52,030,086</u>	<u>8,140,482</u>
Net Position (Net Assets), Ending	<u>\$ 359,586,773</u>	<u>\$ 350,415,358</u>	<u>\$ 347,234,205</u>	<u>\$ 399,264,291</u>	<u>\$ 381,841,736</u>

⁽¹⁾ Net Position, as restated in FY2023, 2020, 2018, and 2015

City of Gilroy
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General fund:					
Nonspendable	\$ 52,592	\$ 74,622	\$ 84,923	\$ 74,217	\$ 126,965
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	22,291,553	21,316,940	22,202,316	24,354,609	25,475,105
Total general fund	<u>\$ 22,344,145</u>	<u>\$ 21,391,562</u>	<u>\$ 22,287,239</u>	<u>\$ 24,428,826</u>	<u>\$ 25,602,070</u>
All other governmental funds:					
Nonspendable	\$ 9,265	\$ 9,265	\$ 8,670	\$ 9,470	\$ 25,570
Restricted	41,474,238	40,117,010	44,922,496	50,775,875	55,248,281
Assigned	576,889	544,284	2,827,521	1,588,907	1,448,954
Unassigned (deficit)	(11,866,882)	(12,884,818)	(7,883,587)	(5,761,804)	(2,841,776)
Total all other governmental funds	<u>\$ 30,193,510</u>	<u>\$ 27,785,741</u>	<u>\$ 39,875,100</u>	<u>\$ 46,612,448</u>	<u>\$ 53,881,029</u>

City of Gilroy
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
General fund:					
Nonspendable	\$ 76,000	\$ 126,915	\$ 47,874	\$ 739	\$ 23,750
Restricted	-	-	-	1,983,396	2,696,317
Committed	-	-	-	5,572,376	9,788,254
Assigned	-	-	-	-	-
Unassigned	27,683,870	14,731,555	19,585,369	30,349,205	33,190,870
Total general fund	<u>\$ 27,759,870</u>	<u>\$ 14,858,470</u>	<u>\$ 19,633,243</u>	<u>\$ 37,905,716</u>	<u>\$ 45,699,191</u>
All other governmental funds:					
Nonspendable	\$ 1,000	\$ 706,754	\$ -	\$ -	\$ -
Restricted	57,445,219	57,421,683	58,391,239	67,727,936	71,140,553
Assigned	1,483,818	5,368,008	5,276,579	5,494,298	3,603,942
Unassigned (deficit)	(4,206,362)	(6,380,638)	(5,397,542)	-	(1,205,740)
Total all other governmental funds	<u>\$ 54,723,675</u>	<u>\$ 57,115,807</u>	<u>\$ 58,270,276</u>	<u>\$ 73,222,234</u>	<u>\$ 73,538,755</u>

City of Gilroy
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

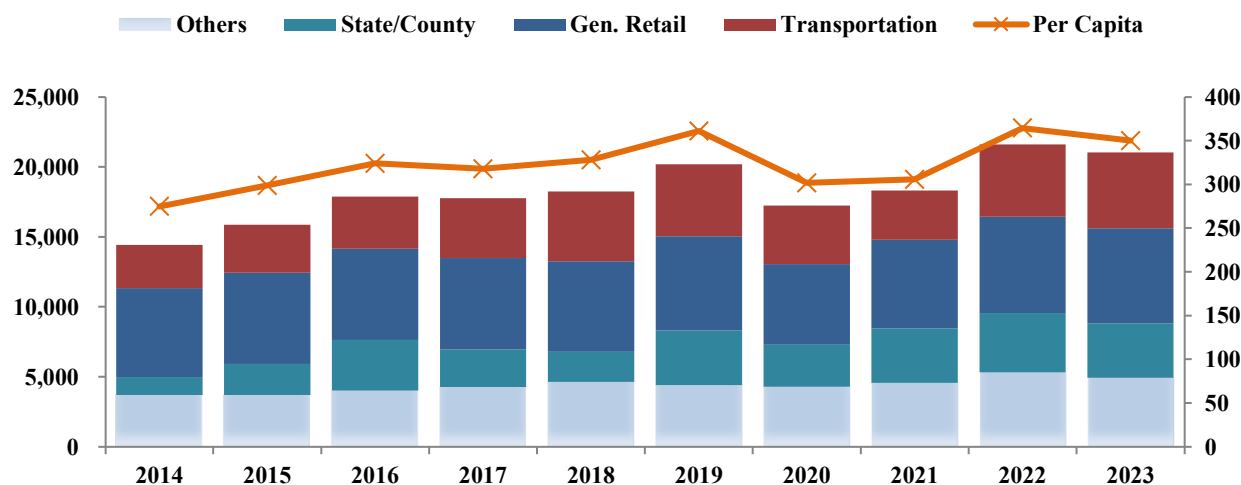
	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues:					
Taxes	\$ 33,902,225	\$ 37,190,336	\$ 40,177,903	\$ 41,350,739	\$ 43,512,402
Licenses and permits	2,088,024	2,847,912	3,720,755	2,713,733	2,751,137
Intergovernmental	5,235,608	3,260,688	4,291,272	3,748,000	4,047,728
Charges for services	17,081,714	17,396,590	24,960,535	18,973,863	22,820,605
Developer impact fees	-	-	-	-	-
Fines	226,220	281,580	266,163	293,899	208,305
Investment income (loss)	697,612	600,960	608,641	762,671	1,084,408
Miscellaneous	1,464,470	2,128,737	2,059,106	1,604,397	1,635,888
Total revenues	60,695,873	63,706,803	76,084,375	69,447,302	76,060,473
Expenditures:					
General government	4,073,708	4,025,604	4,532,241	4,906,824	5,103,946
Public safety	27,448,432	28,845,371	29,867,361	30,830,873	31,781,515
Public works	6,072,624	6,322,864	6,764,060	7,231,274	7,723,166
Recreation services	-	-	-	-	-
Community development	10,031,035	16,393,573	14,675,204	11,052,313	14,993,509
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	25,745,000	2,215,000	2,305,000	2,459,619	2,558,818
Interest	3,525,898	3,557,829	3,479,710	3,410,441	3,302,252
Bond issuance costs	275,515	2,582	-	-	-
Total expenditures	77,172,212	61,362,823	61,623,576	59,891,344	65,463,206
Excess of revenues over (under) expenditures	(16,476,339)	2,343,980	14,460,799	9,555,958	10,597,267
Other Financing Sources (Uses):					
Transfers in	3,574,115	4,318,330	6,803,782	4,233,745	4,503,781
Transfers out	(7,154,454)	(11,012,940)	(8,521,471)	(4,910,768)	(6,659,253)
Issuance of loan/notes	-	959,229	241,926	-	-
Issuance of bonds	23,120,000	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Premium on bonds	1,138,052	-	-	-	-
Total other financing sources (uses)	20,677,713	(5,735,381)	(1,475,763)	(677,023)	(2,155,472)
Net Change in fund balances	\$ 4,201,374	\$ (3,391,401)	\$ 12,985,036	\$ 8,878,935	\$ 8,441,795
Fund balances - July 1	48,336,281	52,568,704	49,177,303	62,162,339	71,041,274
Fund balances - June 30	\$ 52,537,655	\$ 49,177,303	\$ 62,162,339	\$ 71,041,274	\$ 79,483,069
Debt service as a percentage of noncapital expenditures	39.37%	10.81%	9.52%	9.97%	9.58%

City of Gilroy
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Revenues:					
Taxes	\$ 51,483,855	\$ 44,269,937	\$ 45,916,497	\$ 53,037,707	\$ 53,901,735
Licenses and permits	3,487,338	1,776,651	2,278,304	2,672,186	2,696,317
Intergovernmental	3,913,484	5,473,529	6,612,274	14,805,279	9,788,254
Charges for services	11,501,828	13,951,822	17,484,867	7,380,631	7,621,129
Developer impact fees	-	-	-	18,227,036	7,021,901
Fines	239,873	282,535	231,688	262,403	255,359
Investment income (loss)	1,247,543	1,884,149	358,452	(541,243)	3,094,097
Miscellaneous	1,990,459	1,348,130	2,867,269	4,023,213	2,395,534
Total revenues	<u>73,864,380</u>	<u>68,986,753</u>	<u>75,749,351</u>	<u>99,867,212</u>	<u>86,774,326</u>
Expenditures:					
General government	5,760,831	6,361,042	5,931,022	7,949,662	9,335,054
Public safety	34,062,421	36,867,887	35,856,183	37,687,794	40,547,210
Public works	7,831,193	7,897,645	7,231,722	6,094,830	6,073,851
Recreation services	-	-	1,702,666	1,463,448	1,755,215
Community development	15,421,483	19,143,243	5,523,912	5,535,526	5,682,180
Capital outlay	-	-	6,243,057	2,639,733	12,146,904
Debt service:					
Principal retirement	2,654,708	2,986,212	2,817,325	2,820,129	2,961,464
Interest	3,448,556	3,011,707	2,784,374	2,377,338	2,097,145
Bond issuance costs	112,903	-	-	-	169,268
Total expenditures	<u>69,292,095</u>	<u>76,267,736</u>	<u>68,090,261</u>	<u>66,568,460</u>	<u>80,768,291</u>
Excess of revenues over (under) expenditures	<u>4,572,285</u>	<u>(7,280,983)</u>	<u>7,659,090</u>	<u>33,298,752</u>	<u>6,006,035</u>
Other Financing Sources (Uses):					
Transfers in	4,236,075	8,937,984	24,306,099	6,603,536	6,325,297
Transfers out	(5,876,422)	(12,905,997)	(24,953,804)	(6,677,815)	(7,203,410)
Issuance of loan/notes	-	-	-	-	-
Issuance of bonds	-	19,087,551	16,459,825	-	14,587,831
Payment to refunded bond escrow	-	(19,350,000)	(17,555,000)	-	(15,352,976)
Payment to bond escrow agent	(8,565,000)	-	-	-	-
Premium on bonds	8,633,538	-	-	-	-
Total other financing sources (uses)	<u>(1,571,809)</u>	<u>(4,230,462)</u>	<u>(1,742,880)</u>	<u>(74,279)</u>	<u>(1,643,258)</u>
Net Change in fund balances	<u>\$ 3,000,476</u>	<u>\$ (11,511,445)</u>	<u>\$ 5,916,210</u>	<u>\$ 33,224,473</u>	<u>\$ 4,362,777</u>
Fund balances - July 1	<u>79,483,069</u>	<u>83,485,722</u>	<u>71,987,267</u>	<u>77,903,477</u>	<u>111,127,950</u>
Fund balances - June 30	<u>\$ 82,483,545</u>	<u>\$ 71,974,277</u>	<u>\$ 77,903,477</u>	<u>\$ 111,127,950</u>	<u>\$ 115,490,727</u>
Debt service as a percentage of noncapital expenditures	8.99%	8.67%	8.79%	8.15%	7.01%

City of Gilroy **Sales Tax by Category** **Last Eleven Fiscal Years**

CATEGORY	Fiscal Year			Fiscal Year		
	2011	2014	2015	2016	2017	2018
Outlet Center	\$2,552,694	\$ 2,867,431	\$ 2,899,778	\$ 2,747,030	\$ 2,669,216	\$ 2,571,713
Newman Development	2,070,313	2,230,855	2,332,215	2,426,698	2,500,961	2,529,804
Regency Center	923,509	946,073	965,112	999,738	968,005	987,417
Downtown Core	191,131	296,354	316,595	356,687	398,344	385,497
General Retail	5,737,647	6,340,713	6,513,700	6,530,153	6,536,526	6,474,431
Auto Dealers	871,311	1,649,758	2,136,541	2,633,013	3,224,719	3,691,038
Service Stations	1,355,605	1,442,888	1,292,736	1,094,398	1,064,232	1,290,582
Transportation	2,226,916	3,092,646	3,429,277	3,727,411	4,288,951	4,981,620
Others	3,234,205	3,697,010	3,695,108	4,018,337	4,263,541	4,632,323
Allocation from State and County	1,621,404	1,292,761	2,220,825	3,608,834	2,679,451	2,152,877
TOTALS:	\$12,820,172	\$ 14,423,130	\$ 15,858,910	\$ 17,884,735	\$ 17,768,469	\$ 18,241,251
Population	49,316	52,413	53,000	55,170	55,936	55,615
Sales Tax Per Capita	240	275	299	324	318	328



Source: MBIA MuniServices Company
 State of California, Department of Finance, Population Estimates for California Cities

City of Gilroy
Sales Tax by Category (Continued)
Last Eleven Fiscal Years

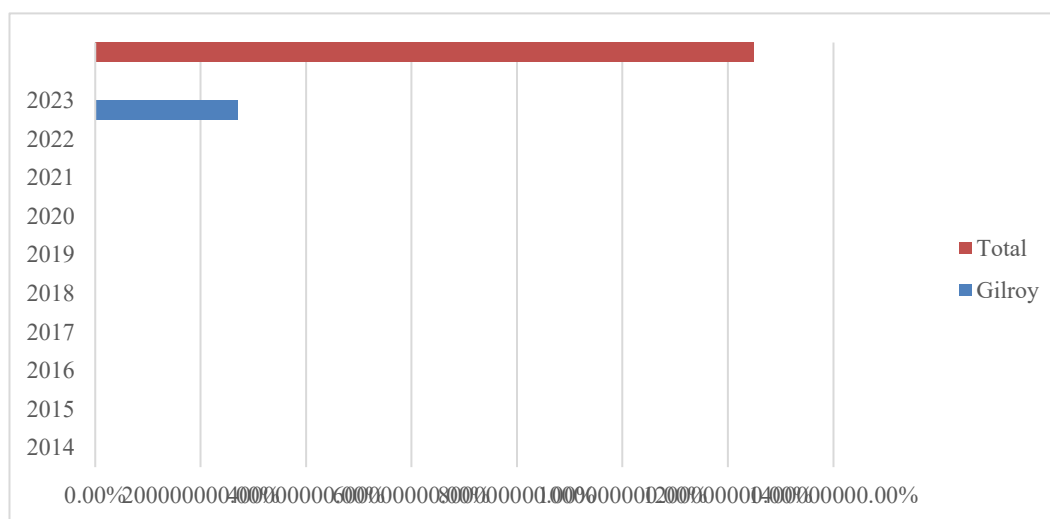
CATEGORY	Fiscal Year				
	2019	2020	2021	2022	2023
Outlet Center	\$ 2,464,617	\$ 1,739,806	\$ 1,869,275	\$ 2,042,775	\$ 2,009,201
Newman Development	2,743,665	2,643,207	2,955,455	3,251,290	3,243,837
Regency Center	1,004,376	896,599	1,000,140	1,028,435	1,032,918
Downtown Core	505,600	472,427	512,427	547,587	502,300
General Retail	6,718,258	5,752,039	6,337,297	6,870,087	6,788,256
Auto Dealers	3,855,166	3,056,022	2,446,254	3,609,865	3,890,947
Service Stations	1,298,298	1,129,189	1,085,319	1,572,748	1,527,970
Transportation	5,153,464	4,185,211	3,531,573	5,182,613	5,418,917
Others	4,418,367	4,294,454	4,580,258	5,317,890	4,929,974
Allocation from State and County	3,896,016	3,002,179	3,867,949	4,238,018	3,892,813
TOTALS:	\$ 20,186,105	\$ 17,233,883	\$ 18,317,077	\$ 21,608,608	\$ 21,029,959
Population	55,928	57,084	59,920	59,269	60,078
Sales Tax Per Capita	361	302	306	365	350

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**

Agency	FISCAL YEAR										
	2011	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State of California	7.250%	6.500%	6.500%	6.250%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%
Santa Clara County (SCC) Transportation Funds	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
City of Gilroy	0.750%	0.750%	0.750%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	269631700.000%
SCC Retail Transactions and Use Tax	-	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	978825400.000%
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%	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%	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%
2020 Peninsula Corridor JPB Retail Transactions and Use Tax										0.125%	0.125%
Total	9.250%	8.750%	8.750%	8.750%	9.000%	9.000%	9.000%	9.000%	9.000%	9.125%	1248457108.000%



Source: California Department of Tax and Fee Administration

City of Gilroy
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2023		2014	
Taxpayer	Business Type	Taxpayer	Business Type
Arco AM/PM Mini Marts	Service Stations	Arco AM/PM Mini Marts	Service Stations
Best Buy Stores	Furniture/Appliance	Best Buy Stores	Furniture/Appliance
Chevron Service Stations	Service Stations	Calvin Klein	Apparel Stores
Costco Wholesale	Department Stores	Chevron Service Stations	Service Stations
Freeway Toyota Of Gilroy	Auto Sales - New	Coach Stores	Apparel Stores
Gilroy Buick GMC	Auto Sales - New	Costco Wholesale	Department Stores
Gilroy Chevrolet Cadillac	Auto Sales - New	Gilroy Chevrolet Cadillac	Auto Sales - New
Gilroy Chrysler Dodge Jeep Ram	Auto Sales - New	Gilroy Gas & Mini-Mart	Service Stations
Gilroy Motorcycle Center	Misc. Vehicle Sales	Gilroy Toyota	Auto Sales - New
Happy Daze RV's	Misc. Vehicle Sales	Home Depot	Bldg.Matls-Retail
Home Depot	Bldg.Matls-Retail	JN Abbott Distributor	Energy Sales
Hyundai of Gilroy	Auto Sales - New	Kohl's Department Stores	Department Stores
Lowe's Home Centers	Bldg.Matls-Retail	Lowe's Home Centers	Bldg.Matls-Retail
McDonald's Restaurants	Restaurants	McDonald's Restaurants	Restaurants
Nike Factory Store	Apparel Stores	Nike Factory Store	Apparel Stores
Pape Machinery	Heavy Industry	Polo Ralph Lauren	Apparel Stores
Ross Stores	Apparel Stores	Rotten Robbie Service Stations	Service Stations
Rotten Robbie Service Stations	Service Stations	See Grins RV	Misc. Vehicle Sales
See Grins RV	Misc. Vehicle Sales	South County Chrysler-Jeep-Dodge	Auto Sales - New
Shell Service Stations	Service Stations	South County Nissan	Auto Sales - New
Target Stores	Department Stores	Target Stores	Department Stores
Tesla	Auto Sales - New	The Garlic Farm Travel Center	Service Stations
Union 76 Service Stations	Service Stations	TV's Gas & Foodmart	Service Stations
Vans	Apparel Stores	Union 76 Service Stations	Service Stations
Wal Mart Stores	Department Stores	Wal Mart Stores	Department Stores

Source: MuniServices, LLC / Avenu Insights & Analytics

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
2013-14	5,913,805,270	46,463,200	5,867,342,070	64,186,470	260,981,844	6,192,510,384	0.902963	-	-	-
2014-15	6,395,754,046	46,050,200	6,349,703,846	52,530,836	265,879,967	6,668,114,649	0.902963	-	-	-
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%

Source: Santa Clara County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

Source: 2021-22 and prior, previously published ACFR.

*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 Five Fiscal Year

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
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
Commercial	848,468,930	899,654,270	931,059,983	989,793,738	1,013,695,555	1,051,729,768
Industrial	483,919,877	479,091,993	538,635,466	667,191,707	638,120,876	667,277,047
Vacant	162,759,148	-	216,844,260	163,403,099	192,863,417	262,155,390
Professional	101,593,308	17,961,578	108,709,436	110,337,229	116,626,048	111,984,310
Institutional	109,350,727	112,041,055	111,348,784	65,615,240	90,554,109	91,711,842
Agriculture	55,688,053	47,135,427	52,895,647	38,226,087	38,372,143	47,049,922
Unitary	39,330,836	38,939,704	32,539,704	29,739,704	27,039,704	39,839,704
Public	17,729,263	104,675,187	23,763,391	31,201,356	37,443,425	37,469,354
Transportation	2,107,545	193,663,876	28,585,319	28,569,765	27,777,083	29,389,066
Recreational	16,969,672	22,525,565	23,001,970	22,973,251	23,200,859	26,346,641
Social	18,281,904	18,604,008	19,463,964	19,888,529	20,081,552	20,568,947
Forestry	1,773,940	6,830,161	6,966,865	7,106,317	7,180,104	7,323,632
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
Unsecured Value	265,619,082	260,824,323	261,877,511	272,030,637	297,421,158	289,253,563
Less Exemptions	311,686,590	358,121,149	404,303,395	404,961,187	438,050,434	444,686,597
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

Source: Santa Clara County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

Use code categories are based on Santa Clara County Assessor's data

City of Gilroy
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Basic City and County Levy								
City Direct Rate	0.097037	0.097037	0.097037	0.097037	0.097037	0.097037	0.097037	0.097037
All others	0.902963	0.902963	0.902963	0.902963	0.902963	0.902963	0.902963	0.902963
	1.000000	1.000000	1.000000	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	0.038800	0.038800	0.038800
County Library	0.002400	0.002400	0.002400	0.002400	0.002400	0.002400	0.002400	0.002400
VMC 2008	0.000000	0.012200	0.009500	0.004700	0.005100	0.003500	0.009100	0.008800
County Housing Bond 2016	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Gilroy City Bond 2008	0.000000	0.011600	0.037500	0.036500	0.036500	0.034000	0.034000	0.029000
Gilroy Unified School 2002	0.037500	0.047200	0.054500	0.054500	0.057100	0.058000	0.056600	0.052200
Gilroy Unified 11/2008	0.000000	0.000000	0.000000	0.047900	0.047200	0.056400	0.059900	0.054900
Gilroy Unified 2016	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Gavilan Community College 04	0.013800	0.016300	0.019900	0.021700	0.025700	0.024800	0.023900	0.022600
Gavilan Jt CCD 2018			0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Lease Debt-Gilroy Unified	0.000000	0.070500	0.070500	0.000000	0.000000	0.000000	0.000000	0.000000
Lease Debt-Gilroy Unified Priorye	0.000000	0.035200	0.035200	0.000000	0.000000	0.000000	0.000000	0.000000
SCVWD-State Water Project	0.005900	0.007100	0.007000	0.006300	0.006900	0.007000	0.006500	0.005700
	0.098400	0.241300	0.275300	0.212800	0.219700	0.224900	0.231200	0.214400
TOTAL TAX RATE	1.098400	1.241300	1.275300	1.212800	1.219700	1.224900	1.231200	1.214400

Source: Santa Clara County Auditor data, MuniServices, LLC / Avenu Insights & Analytics

Source: 2021-22 and prior: previously published ACFR

City of Gilroy
Direct and Overlapping Property Tax Rates (Continued)
Last Ten Fiscal Years

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Basic City and County Levy							
City Direct Rate	0.097037	0.097037	0.097037	0.097037	0.097037	0.097037	0.097037
All others	0.902963	0.902963	0.902963	0.902963	0.902963	0.902963	0.902963
	1.000000	1.000000	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	0.038800	0.038800
County Library	0.002400	0.002400	0.002400	0.002400	0.002400	0.002400	0.002400
VMC 2008	0.008600	0.008200	0.007200	0.006900	0.006900	0.006100	0.006300
County Housing Bond 2016	0.000000	0.012660	0.010500	0.010000	0.000000	0.012660	0.010800
Gilroy City Bond 2008	0.027200	0.026000	0.025000	0.020000	0.019000	0.017500	0.017000
Gilroy Unified School 2002	0.050100	0.047800	0.046700	0.044400	0.042800	0.037000	0.028000
Gilroy Unified 11/2008	0.051300	0.049100	0.046300	0.054400	0.054100	0.052700	0.050900
Gilroy Unified 2016	0.060000	0.055900	0.015400	0.053400	0.055000	0.050900	0.047300
Gavilan Community College 04	0.021600	0.020000	0.019200	0.018700	0.018400	0.017900	0.016800
Gavilan Jt CCD 2018	0.000000	0.000000	0.000000	0.024400	0.023200	0.024100	0.022600
Lease Debt-Gilroy Unified	0.000000	0.000000	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	0.000000	0.000000
SCVWD-State Water Project	0.008600	0.006200	0.004200	0.004100	0.003700	0.005100	0.004400
	0.268600	0.267060	0.215700	0.277500	0.264300	0.265160	0.245300
TOTAL TAX RATE	1.268600	1.267060	1.215700	1.277500	1.264300	1.265160	1.245300

Source: Santa Clara County Auditor data, MuniServices, LLC / Avenu Insights & Analytics

Source: 2021-22 and prior: previously published ACFR

City of Gilroy
Principal Property Taxpayers
Last Fiscal Year and Nine Years Ago

Taxpayer	2022-23		2013-14	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Simon Property Group	\$ 227,843,480	2.08%	\$ 196,348,594	3.17%
Joule Gilroy Crossing Owner Llc	81,764,854	0.75%		
Olam West Coast Inc	77,388,624	0.71%	75,722,026	1.22%
United Natural Foods West Inc	70,129,548	0.64%		
Amazon.Com Services Llc	63,114,624	0.58%		
Mg At Gilroy Lp	57,355,620	0.52%		
Mabury Vineyards Llc Et Al	56,027,400	0.51%		
Performance Food Group Inc	49,319,325	0.45%		
Pulmuone Foods Usa Inc	39,004,584	0.36%		
Wal Mart Real Est Bus Trt	36,377,311	0.33%	30,988,806	0.50%
International Paper Company	32,110,574	0.29%		
E P & G South Valley Plaza Llc	28,949,454	0.26%		
Calpine Gilroy Cogen L P	27,084,173	0.25%		
Nebbiolo Ii-Gilroy Lp	27,000,000	0.25%		
Central Valley Coalition	26,652,017	0.24%		
Towman Cadena Llc	26,569,854	0.24%		
Costco Wholesale Corp A Ws Corp	24,789,905	0.23%	20,388,972	0.33%
Avery Cypress Pointe Lp	22,704,883	0.21%	13,226,061	0.21%
Canciamilla Anthony Trustee & Et Al	22,672,474	0.21%		
Kb Home South Bay Inc	22,407,081	0.21%		
Target Corporation	20,247,071	0.19%	15,998,545	0.26%
Sterigenics U S Llc	18,880,113	0.17%	13,822,020	0.22%
First Street Gilroy I Llc	18,549,094	0.17%		
Blue Diamond Hospitality Llc	18,352,434	0.17%		
Ehj9 Property Llc	18,156,000	0.17%		
Excel Gilroy Llc			83,789,014	1.35%
Inland Western Gilroy I Llc			47,188,989	0.76%
7610 Isabella Way Llc			36,536,830	0.59%
South Valley Apts Llc			34,006,124	0.55%
Shapell Industries Inc			32,471,346	0.52%
Monterey Gourmet Foods			24,672,603	0.40%
Cp6Sv Llc			21,696,489	0.35%
Tin Inc.			21,663,005	0.35%
Kb Home So Bay Inc			21,000,000	0.34%
Chinatown Llc			20,098,198	0.32%
Land Department			19,829,500	0.32%
Lowes Hiw Inc A Ws Corp			15,912,860	0.26%
Mission Park Gilroy Llc			15,112,484	0.24%
Hd Development Of Maryland,Inc			15,009,688	0.24%
Gilroy Village Shopping Center			14,086,997	0.23%
Town Place Llc			13,013,590	0.21%
Berry Alexander Street Llc			11,697,284	0.19%
Southpoint Business Park Assoc			11,617,675	0.19%
Total Top 25 Taxpayers	\$ 1,113,450,497	10.19%	\$ 825,897,700	13.34%
Total Taxable Value	\$ 10,928,098,242	100.00%	\$ 6,192,510,384	100.00%

Source: Santa Clara County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

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City of Gilroy
Property Tax Levies, Tax Collections and Delinquency
Last Ten Fiscal Years

Fiscal Year	Tax Levied for the Fiscal Year	Amount Collected	Percent (%) of Levy
2013-14	\$ 6,054,088	\$ 6,029,696	99.60%
2014-15	6,515,197	6,547,657	100.50%
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%

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: County Auditor-Controller

City of Gilroy
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities						
Fiscal Year	General Obligation Bonds ⁽⁵⁾⁽⁶⁾	Tax Allocation Bonds	Notes & Loans	Lease Revenue Bonds ⁽⁴⁾	Special Assessment Bonds	Subscription Payable
2014	\$ 31,820,000	\$ -	\$ -	\$ 47,797,103	\$ -	\$ -
2015	31,095,000	-	959,229	46,174,118	-	-
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	-	-
2023	23,561,345	-	580,125	28,177,439	-	625,094

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.
- ⁽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

<u>Business-Type Activities</u>					
Fiscal Year	Subscription Payable	Wastewater Revenue Bonds ^{(3) (7)}	Total Primary Government ⁽¹⁾	% of Property Net Assessed Value ⁽²⁾	Debt per Capita
2014	\$ -	\$ 20,477,068	\$ 100,094,171	1.62%	1,910
2015	-	18,519,310	96,747,657	1.45%	1,825
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	-	9,928,275	69,323,468	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	22,500	55,093,508	111,773,003	1.09%	1,878
2023	-	52,494,265	105,438,268	1.07%	1,755

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.

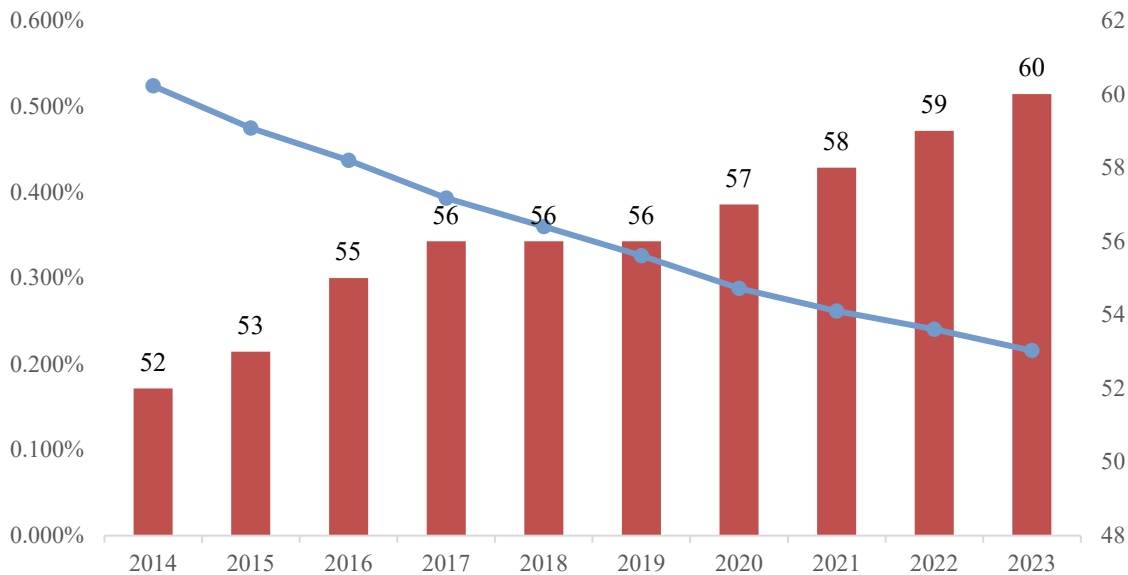
⁽⁵⁾ GO Bonds Series 2009 refinanced on June 1, 2019 to Series 2019 A.

⁽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

OUTSTANDING GENERAL BONDED DEBT				Net Assessed Value ⁽²⁾	Population ⁽¹⁾	General Bonded Debt to Net Assessed Value	Ratio of General Bonded Debt Per Capita
Fiscal Year	General Obligation Bonds	Tax Allocation Bonds	Total ⁽¹⁾				
2014	\$ 32,434,743		\$ 32,434,743	\$ 6,192,510,384	52,413	0.524%	619
2015	31,681,616		31,681,616	6,668,114,649	53,000	0.475%	598
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



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, 2023

2022-23 Assessed Valuation: \$10,973,811,042

	Total Debt 6/30/2023	% Applicable (1)	City's Share of Debt 6/30/23
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Santa Clara County	\$ 1,041,125,000	1.773%	\$ 18,459,146
Gavilan Joint Community College District	195,600,000	25.641%	50,153,796
Gilroy Unified School District	346,262,495	82.189%	284,589,682
City of Gilroy	23,561,345	100.000%	23,561,345
City of Gilroy Community Facilities District No. 2000-1	5,181,734	100.000%	5,181,734
Santa Clara Valley Water District Benefit Assessment District	38,900,000	1.773%	689,697
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 382,635,400
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Santa Clara County General Fund Obligations	\$ 1,120,404,570	1.773%	\$ 19,864,773
Santa Clara County Pension Obligation Bonds	329,741,844	1.773%	5,846,323
Santa Clara County Board of Education Certificates of Participation	935,000	1.773%	16,578
Gavilan Joint Community College District General Fund Obligations	6,135,000	25.641%	1,573,075
Gilroy Unified School District Certificates of Participation	21,495,000	82.189%	17,666,526
City of Gilroy General Fund Obligations (Lease Revenue Bonds)	28,177,439	100.000%	28,177,439
Subscriptions Obligations	625,094	100.000%	625,094
City of Gilroy Loans Payable	580,125	100.000%	580,125
Santa Clara County Vector Control Certificates of Participation	1,230,000	1.773%	21,808
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 74,371,741
Less: Santa Clara County supported obligations			186,523
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 74,185,218
TOTAL DIRECT DEBT			\$ 52,318,909
TOTAL GROSS OVERLAPPING DEBT			\$ 404,688,232
TOTAL NET OVERLAPPING DEBT			\$ 404,501,709
GROSS COMBINED TOTAL DEBT			\$ 457,007,141 (2)
NET COMBINED TOTAL DEBT			\$ 456,820,618

(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 2022-23 Assessed Valuation:

\$10,973,811,042

Direct Debt (\$23,561,345)	0.21%
Total Direct and Overlapping Tax and Assessment Debt	3.49%
Total Direct Debt (\$52,318,909)	0.48%
Gross Combined Total Debt	4.16%
Net Combined Total Debt	4.16%

City of Gilroy
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year		Fiscal Year			
	2011	2014	2015	2016	2017	2018
Assessed valuation	\$ 5,829,162,100	\$ 6,238,973,584	\$ 6,714,164,849	\$ 7,114,097,533	\$ 7,700,974,884	\$ 8,175,945,948
Debt Limit Rate ⁽¹⁾	15%	15%	15%	15%	15%	15%
Debt limit	874,374,315	935,846,038	1,007,124,727	1,067,114,630	1,155,146,233	1,226,391,892
Total net debt applicable to limit:						
General obligation bonds	33,830,000	31,820,000	31,095,000	30,335,000	29,550,000	28,745,000
Legal debt margin	\$ 840,544,315	\$ 904,026,038	\$ 976,029,727	\$ 1,036,779,630	\$ 1,125,596,233	\$ 1,197,646,892
Total debt applicable to the limit as a percentage of debt limit	4.0%	3.5%	3.2%	2.9%	2.6%	2.4%

Continued

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				
	2019	2020	2021	2022	2023
Assessed valuation	\$ 8,741,061,361	\$ 9,291,636,386	\$ 9,807,614,121	\$ 10,242,720,866	\$ 10,928,098,242
Debt Limit Rate ⁽¹⁾	15%	15%	15%	15%	15%
Debt limit	1,311,159,204	1,393,745,458	1,471,142,118	1,536,408,130	1,639,214,736
Total net debt applicable to limit:					
General obligation bonds	27,983,538	27,087,578	25,639,646	24,616,950	23,561,345
Legal debt margin	<u>\$ 1,283,175,666</u>	<u>\$ 1,366,657,880</u>	<u>\$ 1,445,502,472</u>	<u>\$ 1,511,791,180</u>	<u>\$ 1,615,653,391</u>
Total debt applicable to the limit					
as a percentage of debt limit	2.2%	2.0%	1.8%	1.6%	1.5%

Concluded

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 Seven 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)	301,481	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

City of Gilroy
Wastewater System - Historical Debt Service Coverage (Continued)
Last Seven Fiscal Years

	Fiscal Year		
	2021	2022	2023
Gross revenues:			
Charges for services	\$ 12,702,398	\$ 12,912,113	\$ 13,037,892
Investment income (loss)	51,203	64,441	825,083
Developer impact fees*	1,764,901	3,552,755	1,122,624
Total gross revenues	14,518,502	16,529,309	14,985,599
Operating expenses:			
Operations	9,323,262	8,969,702	7,535,006
Billing	678,651	63,021	924,907
Administration	720,726	789,602	775,649
Total operating expenses	10,722,639	9,822,325	9,235,562
Net Revenues	3,795,863	6,706,984	5,750,037
Debt			
2010 Sewer revenue bonds (net debt service)	\$ 2,510,417	\$ 2,561,500	\$ -
2021A Sewer revenue bonds	-	-	1,533,500
Total net debt service	\$ 2,510,417	\$ 2,561,500	\$ 1,533,500
Debt service coverage (1.20x requirement)	1.51	2.62	3.75

*Developer impact fees for sewer is reported in a capital projects fund



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)
2013-14	52,413	\$ 6,192,510,384	\$ 118,148	\$ 1,512,219,876	\$ 28,852	8.6%	-	-
2014-15	53,000	6,668,114,649	125,813	1,566,627,000	29,559	6.9%	-	-
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

Source: Santa Clara County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

Source: 2021-22 and prior: previously published ACFR 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 Eight Years Ago

Business Name	2023			2014		
	Number of Employees	Rank	Percent of Total Employment (%)	Number of Employees	Rank	Percent of Total Employment (%)
Gilroy Unified School District*	1,078	1	3.77%			
Christopher Ranch LLC	716	2	2.50%	800	1	4.08%
Saint Louise Regional Hospital	522	3	1.83%	550	2	2.81%
Olam International (Formerly ConAgra-Gilroy Foods)	450	4	1.57%	500	4	2.55%
Community Solutions	365	5	1.28%	-		-
Costco Wholesale	350	6	1.22%	220	7	1.12%
Walmart Supercenter	312	7	1.09%	395	5	2.01%
City of Gilroy	258	8	0.90%	-		-
Gavilan College	214	9	0.75%	-		-
Gilroy Health Care and Rehabilitation	167	10	0.58%	-		-
Head Start Nursery	-	-	-	180	9	0.92%
Gilroy Gardens Theme Park (formerly Bonfante)	-	-	-	500	3	2.55%
Monterey Gourmet Foods	-	-	-	225	6	1.15%
Kaiser Permanente	-	-	-	200	8	1.02%
International Paper	-	-	-	180	10	0.92%
Total Top 10 Employers	4,432		15.50%	3,750		19.13%
Total City Labor Force (1)	28,600			19,607		

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2014 previously published ACFR.

Results based on direct correspondence with city's local businesses.

(1) Total City Labor Force provided by EDD Labor Force Data.

* Includes FTE & PTE.

City of Gilroy
Full-Time Equivalent City Employees
By Function/Program
Last Ten Fiscal Years

Department	2011	2012	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration	5	6	5	4	5	5	6	6	7	7	8	8
City Council and Mayor	7	7	7	7	7	7	7	7	7	7	7	7
Community Development	17	18	20	21	21	18	18	21	23	20	23	21
Finance	13	14	13	13	13	11	13	14	14	11	13	12
Fire	43	39	39	40	39	35	36	37	37	43	44	40
Fleet and Facilities	9	10	10	10	10	10	10	10	10	7	10	8
Human Resources	3	3	4	4	4	4	4	4	5	4	4	4
Information Technology	3	2	4	2	2	3	3	4	3	4	4	4
Police	87	87	88	93	94	87	92	94	96	98	99	90
Public Works	34	34	36	38	43	40	42	54	57	48	49	45
Recreation	9	11	11	11	12	10	11	11	11	4	4	4
Total	230	231	237	243	250	230	242	262	270	253	265	243

(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.

City of Gilroy
Operating Indicators By Function / Program
Last Ten Fiscal Years

Function	Fiscal Year	Fiscal Year				
	2011	2014	2015	2016	2017	2018
General Gvoernement						
Number of Business Licenses Issued	2,967	2,615	3,034	2,685	3,166	3,800
Total Volunteer Service Hours	29,668	35,439	32,598	34,723	33,855	31,505
Total City-Wide Training Hours Provided	1,538	1,245	1,957	2,356	3,112	3,200
Total Vehicle Work Orders Generated	1,631	2,739	3,146	2,629	2,478	1,428
Total Facilities Work Orders Generated	1,576	1,613	1,542	1,445	1,317	1,428
Public Safety						
Police						
Number of 911 Calls Received	21,206	27,753	28,498	21,044	23,744	23,484
Number of Police Calls for Service	59,177	58,112	62,200	62,071	63,887	63,073
Number of Investigations Assigned to Detectives	816	727	821	913	845	815
Number of Case Reports Processed	10,780	11,926	13,566	12,621	12,320	12,478
Fire						
Total Calls for Service	3,746	4,557	5,131	5,007	5,441	5,374
Total Fire Calls	179	182	179	223	223	265
Total Emergency Medical Aid Calls	2,340	2,802	3,341	3,323	3,735	3,707
Community Development						
Number of Building Inspections Completed	9,378	14,101	21,592	24,500	23,623	17,991
Number of Building Permits Processed	1,212	1,706	2,042	2,197	1,903	1,970
Number of Fire Code Permits Issued	525	567	819	839	476	1,060
Public Works						
Square Feet of Chip/Cape/Slurry Seal Completed	10,000	930,000	90,000	274,479	712,504	533,397
Linear Feet of Preventive Cleaning	600,000	600,000	716,900	785,288	707,379	854,304
Million Gallons of Wastewater Treated per Day	6.76	6.05	5.99	5.97	7.60	6.16
Million Gallons of Municipal Water Produced per Day	7.31	7.87	6.79	5.94	6.46	7.07
Million Gallons of Wastewater Flow per Day (COG)	3.91	3.45	3.50	3.59	4.84	3.87
Number of Utility Billing Customers	12,958	13,716	13,865	14,300	14,549	14,870
Recreation						
Number of Registrations Processed	4,166	5,500	6,378	5,856	5,807	4,952
Number of Meals Provided to Seniors Annually	18,392	19,549	20,031	21,351	22,566	23,815

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				
	2019	2020	2021	2022	2023
General Government					
Number of Business Licenses Issued	3,965	3,160	4,319	3,673	3,335
Total Volunteer Service Hours	28,460	18,465	2,521	12,886	17,588
Total City-Wide Training Hours Provided	2,688	2,892	1,038	1,173	1,262
Total Vehicle Work Orders Generated	1,327	1,514	1,904	1,880	1,686
Total Facilities Work Orders Generated	1,411	1,488	1,405	1,416	1,381
Public Safety					
Police					
Number of 911 Calls Received	22,235	23,578	22,740	24,837	25,536
Number of Police Calls for Service	64,134	58,354	44,016	62,323	65,459
Number of Investigations Assigned to Detectives	986	1,023	971	1,101	745
Number of Case Reports Processed	11,075	11,020	10,095	9,771	8,205
Fire					
Total Calls for Service	5,555	6,243	6,299	7,092	7,117
Total Fire Calls	282	336	381	435	273
Total Emergency Medical Aid Calls	3,739	4,065	4,089	4,866	5,027
Community Development					
Number of Building Inspections Completed	17,450	14,618	15,652	16,056	15,578
Number of Building Permits Processed	2,050	1,300	1,361	1,784	1,843
Number of Fire Code Permits Issued	1,230	885	474	695	475
Public Works					
Square Feet of Chip/Cape/Slurry Seal Completed	1,430,477	1,547,477	1,451,239	3,118,472	3,354,152
Linear Feet of Preventive Cleaning	897,479	849,228	632,280	692,143	716,194
Million Gallons of Wastewater Treated per Day	6.66	6.18	6.14	6.03	7.00
Million Gallons of Municipal Water Produced per Day	6.80	7.20	7.60	6.74	6.24
Million Gallons of Wastewater Flow per Day (COG)	4.13	3.73	3.49	3.16	3.86
Number of Utility Billing Customers	15,133	15,218	15,311	15,483	15,555
Recreation					
Number of Registrations Processed	4,737	4,232	2,380	6,875	9,224
Number of Meals Provided to Seniors Annually	25,103	21,979	19,525	22,570	22,961

Source: City of Gilroy, Various City Departments

* Statistic not available

City of Gilroy
Capital Assets By Function
Last Ten Fiscal Years

Function	Fiscal Year					
	2011	2014	2015	2016	2017	2018
General Government						
City Buildings	55	55	55	55	55	57
Public Safety						
Police						
Police Stations	1	1	1	1	1	1
Police Vehicles	69	76	79	86	87	83
Fire						
Fire Stations	3	3	3	3	3	3
Fire Vehicles	20	20	20	20	21	20
Public Works						
Park sites	16	16	16	16	16	19
Centerline Miles of Streets	146	118	120	119	126	151
Number of Streetlights	3,659	4,150	4,150	4,773	4,794	4,841
Miles of Storm Trunk Mains*	30	31	31	31	37	39
Miles of Sewer Mains	101	110	111	111	151	160
Treatment Plant Dry Weather Flow Capacity (MGD)	9	9	9	9	9	9
Water Meters in Municipal Service Area	12,905	13,831	14,127	14,669	14,783	14,450
Miles of Water Mains	108	121	152	152	204	205
Number of Fire Hydrants	1,815	2,048	2,150	2,265	2,290	1,948

* 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				
	2019	2020	2021	2022	2023
General Government					
City Buildings	57	57	57	57	57
Public Safety					
Police					
Police Stations	1	1	1	1	1
Police Vehicles	103	109	109	113	117
Fire					
Fire Stations	3	3	3	3	3
Fire Vehicles	19	19	20	20	21
Public Works					
Park sites	19	20	21	21	21
Centerline Miles of Streets	166	166	166	168	125
Number of Streetlights	4,861	4,885	4,295	4,315	4,320
Miles of Storm Trunk Mains*	40	40	40	131	131
Miles of Sewer Mains	161	163	162	168	168
Treatment Plant Dry Weather Flow Capacity (MGD)	9	9	9	9	9
Water Meters in Municipal Service Area	15,133	15,220	15,266	15,595	15,553
Miles of Water Mains	210	205	219	209	213
Number of Fire Hydrants	2,229	2,187	2,293	2,317	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



From: [Council Member Zachary Hilton](#)
To: [Public Comments](#)
Cc: [City Clerk](#)
Subject: Fw: Gilroy - Santa Teresa District - Fire and Emergency Services
Date: Tuesday, September 26, 2023 8:00:20 AM

City Clerk,

Please include this as public comment for Item #14.1 Closed Session.

Zach Hilton

Gilroy City Council Member

www.zachhilton.com

#HiltonForCouncil @zachhilton_ca

From: [REDACTED]
Sent: Monday, September 25, 2023 1:43 PM
To: Mayor Marie Blankley <Marie.Blankley@ci.gilroy.ca.us>; Council Member Dion Bracco <Dion.Bracco@ci.gilroy.ca.us>; Council Member Tom Cline <Tom.Cline@ci.gilroy.ca.us>; Council Member Zachary Hilton <Zachary.Hilton@ci.gilroy.ca.us>; Council Member Carol Marques <Carol.Marques@ci.gilroy.ca.us>; Council Member Fred Tovar <Fred.Tovar@ci.gilroy.ca.us>; Council Member Rebeca Armendariz <Rebeca.Armendariz@ci.gilroy.ca.us>
Cc: [REDACTED]
Subject: EXTERNAL - Gilroy - Santa Teresa District - Fire and Emergency Services

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Dear Gilroy City Counsel,

I want to voice my **concern about two issues:**

1.) The short staffing at the Santa Teresa Fire Station.

I live in the Mesa Ridge community near Miller Ave. and Thomas Rd., in west Gilroy.

Recently several of my neighbors have been denied homeowner's fire insurance renewals due to a perception of high fire risk in the area. With all the many new homes built in west Gilroy we urgently need a fully-staffed fire and emergency medical response capability on this rapidly expanding side of Gilroy.

I read in the Mayor's update that \$3M in funding has been allocated in the future budget to modernize the fire stations and add modular buildings to the Santa Teresa fire station to provide a 24-hour staffing capability. But **where in the budget are we allocating funds to hire the additional firefighters** that will be needed?

Home values and the desirability of living here may decline if the danger of fire and our ability to effectively mitigate the risk is not robustly defended.

Please vote to provide the necessary staffing and infrastructure to support adequate, full-
 p. 470 of 478

time fire and emergency medical in my home town section of west Gilroy.

2.) Please find a way to fund the Tenth Street Bridge and get it built!

This bridge was originally promised to be built by the developer as specified in the Glen Loma Ranch Development Agreement. But that was contingent on the City being able to fund the construction costs, either with Federal grant funds or with other municipal funds.

Now I'm learning that the recent \$27M Federal grant application to fund the bridge has been denied and the City doesn't have the money to fund the bridge construction otherwise.

Forgive my armchair semi-informed critical analysis, but this whole bridge project seems like a SNAFU. The original deal with the developer was a concession to influence and affect planning approvals. Those approvals allowed building too many densely packed homes with inadequate traffic and infrastructure provisions. Instead City planners made a contingent deal for a bridge with only faint dreams of someday funding it, and no consequences to the developers for the resulting delays.

Every year that the bridge is delayed puts our homes at increased risk by adding to the travel distance for emergency responders and increased traffic congestion. The promise of the bridge has been delayed for almost decade. The eroding bridge plans are now whittling down the width of the bridge from four lanes to two, and eliminating other useful bike friendly features. Now it honestly seems to me like the bridge may never be built at all.

Please understand the scope of these issues involve life saving priorities.

Respectfully,

-David Bartholomew

gilroyca.iqm2.com



David Bartholomew

[REDACTED]

[REDACTED]



From: [Frank Parker](#)
To: [Public Comments](#)
Subject: EXTERNAL - Fire safety
Date: Wednesday, September 27, 2023 4:12:35 PM

CAUTION: This email originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Very concerned about staffing the Santa Teresa fire station. As a long time resident of Gilroy, I would hope our fire depart will be fully staffed to protect all of us. Please make this a priority.

From: [Council Member Zachary Hilton](#)
To: [Public Comments](#)
Cc: [City Clerk](#)
Subject: Fw: EXTERNAL - Staffing at Santa Teresa Fire Station
Date: Wednesday, September 27, 2023 2:15:53 PM

City Clerk,

Please add this to public comment for Item #14.1.

Zach Hilton

Gilroy City Council Member

www.zachhilton.com

#HiltonForCouncil @zachhilton_ca

From: Kathleen Kammann <kmdk44@charter.net>

Sent: Wednesday, September 27, 2023 10:49 AM

To: Mayor Marie Blankley <Marie.Blankley@ci.gilroy.ca.us>; Council Member Rebeca Armendariz <Rebeca.Armendariz@ci.gilroy.ca.us>; Council Member Dion Bracco <Dion.Bracco@ci.gilroy.ca.us>; Council Member Tom Cline <Tom.Cline@ci.gilroy.ca.us>; Council Member Zachary Hilton <Zachary.Hilton@ci.gilroy.ca.us>; Council Member Carol Marques <Carol.Marques@ci.gilroy.ca.us>; Council Member Fred Tovar <Fred.Tovar@ci.gilroy.ca.us>

Subject: EXTERNAL - Staffing at Santa Teresa Fire Station

CAUTION: This email originated from an External Source. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

I am very concerned about the issue of staffing at the Santa Teresa Fire Station. I believe we need to increase the daily minimum staffing at this station. It worries me when I see all the continued building in my area and no adequate staffing at our closest station.

I hope you will listen carefully to the Gilroy Firefighters Association when they present their case on October 2.

Thank you.

Sent from my iPhone

From: [Council Member Zachary Hilton](#)
To: [Public Comments](#)
Cc: [City Clerk](#)
Subject: Fw: EXTERNAL - Gilroy Firefighter Staffing Concern
Date: Wednesday, September 27, 2023 2:13:30 PM

City Clerk,

Please add this to public comment for Item #14.1.

Zach Hilton

Gilroy City Council Member

www.zachhilton.com

#HiltonForCouncil @zachhilton_ca

From: Nigel Johnson <nigelpcj@me.com>

Sent: Wednesday, September 27, 2023 11:19 AM

To: Local2805@comcast.net <Local2805@comcast.net>; Mayor Marie Blankley
 <Marie.Blankley@ci.gilroy.ca.us>

Cc: Council Member Rebeca Armendariz <Rebeca.Armendariz@ci.gilroy.ca.us>; Council Member
 Dion Bracco <Dion.Bracco@ci.gilroy.ca.us>; Council Member Tom Cline <Tom.Cline@ci.gilroy.ca.us>;
 Council Member Zachary Hilton <Zachary.Hilton@ci.gilroy.ca.us>; Council Member Carol Marques
 <Carol.Marques@ci.gilroy.ca.us>; Council Member Fred Tovar <Fred.Tovar@ci.gilroy.ca.us>

Subject: EXTERNAL - Gilroy Firefighter Staffing Concern

CAUTION: This email originated from an External Source. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

To You All

Firefighter Staffing for our 'rapidly growing' Community - 'Mission Critical'

We are Gilroy Citizens and live in the LIONS CREEK community area by Luigi Aprea Elementary school writing to show our support for this effort to provide needed investment for our Firefighters and to help save this temporary location in such a prime response location!!

Many days/evenings I visit the Ascension Solarsano Middle School (close to the Fire Station) location; park my truck and take my dog for walks all around Debell Park and Uvas Creek areas close to the Temporary Fire Station.

It is a comfort and confidence feeling to wave to the Firefighters when they head out on a response or return or just to see the small engine (sometime large) parked by the station ready to respond to Community safety and security issues!!

SAVE THAT STATION AND MAKE FIREFIGHTER SUPPORT A VERY TOP PRIORITY for our Rapidly Growing Communities and our priority Tax Dollars investments please.

Thank You for your support!

Nigel and Violet Johnson
 nigelpcj@me.com
 408 398 9371



Gilroy Firefighters Association
IAFF – Local 2805
 P.O. Box 875
 Gilroy, CA 95021

Dear Fellow Citizens of Gilroy,

I hope this letter finds you well. We are writing to you today as members of the Gilroy Firefighters Association (Local 2805), and we need your support and assistance in addressing a pressing issue that directly affects the safety and well-being of our community.

If you are receiving this notice, it means you reside in the Santa Teresa District of Gilroy, and your home and family are served by the temporary fire station located on the Ranch Side of Christmas Hill Park. Over the past four years, the Santa Teresa Fire Station has faced severe staffing challenges, resulting in inconsistent service levels. For a significant duration, the station has been staffed with just two responders for a mere 12 hours a day, from 8 am to 8 pm. Unfortunately, this staffing level is insufficient to handle the wide range of emergencies our community may face.

In recent months, particularly during March, April, and May of 2023, the station has been left completely unstaffed on an almost daily basis, and this has occurred without any prior notification to the elected leadership and citizens of Gilroy. The consequences of this inconsistency have been increased response times to the Santa Teresa District, putting our community at risk. Several incidents have experienced extended response times and delayed emergency medical treatment, which, regrettably, has contributed to poor patient outcomes.

We believe that every citizen of Gilroy deserves equitable, dependable, and effective fire suppression and emergency medical care, regardless of their residential location within our city. It is our shared belief that these essential services should be provided without question.

It has become evident that without an increase in the fire department's daily minimum staffing levels, the Santa Teresa Fire Station may continue to face understaffing or closure based on the sole discretion of the department and city administration. In response to this urgent situation, the Gilroy Firefighters Association has requested that the Gilroy City Council direct city staff to engage in discussions with our Association (Local 2805). The singular and sole purpose of these discussions would be to address the critical issue of minimum daily staffing levels at the Santa Teresa Fire Station.

We would like to inform you that the Gilroy City Council is scheduled to meet on October 2nd. During this meeting, various issues, including the one we have highlighted, will be discussed. Your voice and concerns matter greatly in this matter. We encourage you to participate either by attending the upcoming Gilroy City Council Meeting and using the public comment opportunity to express your concerns, or you may choose to email the Gilroy City Council at marie.blankley@cityofgilroy.org, rebecca.arnold@cityofgilroy.org, dion.brando@cityofgilroy.org, tom.cline@cityofgilroy.org, zachary.hilton@cityofgilroy.org, carol.marques@cityofgilroy.org, fred.tovar@cityofgilroy.org with your thoughts and sentiments.

The Gilroy Firefighters Association is dedicated to providing the highest level of emergency response and life safety to all Gilroy residents. However, we can no longer fulfill this mission without your valuable support and involvement.

We thank you for your time and consideration, and we look forward to standing together with you to ensure the safety and well-being of our beloved community.

Respectfully,

Gilroy Firefighters Association
 IAFF Local 2805
Local2805@comcast.net

From: [Council Member Zachary Hilton](#)
To: [Public Comments](#)
Cc: [City Clerk](#)
Subject: Fw: EXTERNAL - Fire Fighter Staffing
Date: Wednesday, September 27, 2023 2:17:02 PM

City Clerk,

Please add this to public comment for Item #14.1.

Zach Hilton

Gilroy City Council Member

www.zachhilton.com

#HiltonForCouncil @zachhilton_ca

From: Christopher Cobillas <cmcobillas@yahoo.com>

Sent: Wednesday, September 27, 2023 10:43 AM

To: Mayor Marie Blankley <Marie.Blankley@ci.gilroy.ca.us>; Council Member Rebeca Armendariz <Rebeca.Armendariz@ci.gilroy.ca.us>; Council Member Dion Bracco <Dion.Bracco@ci.gilroy.ca.us>; Council Member Tom Cline <Tom.Cline@ci.gilroy.ca.us>; Council Member Zachary Hilton <Zachary.Hilton@ci.gilroy.ca.us>; Council Member Carol Marques <Carol.Marques@ci.gilroy.ca.us>; Council Member Fred Tovar <Fred.Tovar@ci.gilroy.ca.us>

Subject: EXTERNAL - Fire Fighter Staffing

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My City Council,

My name is Christopher Cobillas and I live at 713 Carignane Dr. I am distraught by the lack of fire protection and emergency medical services provided to my neighborhood. As the city has grown, basic city services has not. It is shameful to put my family and neighbors safety at risk by not staffing the fire department. Is a residents life justified by budget dollar savings? We all know that it is a matter of time until we will need to utilize public safety in some capacity.

I can include a laundry list of communities that have been decimated and taken off the map due to fires but, we all know them. Having our fire fighters staffed and ready to respond is the only way that our city does not end up in the news for lack of preparation. If it's predictable, I can be preventable.

I urge you all to consider my neighborhoods safety and remind you all that we voted to put you in these position of leadership to protect us all!

Thank you for your time and constant effort,

Christopher Cobillas

From: [Council Member Zachary Hilton](#)
To: [Public Comments](#)
Cc: [City Clerk](#)
Subject: Fw: - Firefighter staffing
Date: Wednesday, September 27, 2023 8:00:27 AM

City Clerk,

Please include this as public comment for Item #14.1.

Zach Hilton

Gilroy City Council Member

www.zachhilton.com

#HiltonForCouncil @zachhilton_ca

From: Raul Mayorga <truckermayorga@gmail.com>

Sent: Tuesday, September 26, 2023 5:52 PM

To: Mayor Marie Blankley <Marie.Blankley@ci.gilroy.ca.us>; Council Member Rebeca Armendariz <Rebeca.Armendariz@ci.gilroy.ca.us>; Council Member Dion Bracco <Dion.Bracco@ci.gilroy.ca.us>; Council Member Tom Cline <Tom.Cline@ci.gilroy.ca.us>; Council Member Zachary Hilton <Zachary.Hilton@ci.gilroy.ca.us>; Council Member Carol Marques <Carol.Marques@ci.gilroy.ca.us>; Council Member Fred Tovar <Fred.Tovar@ci.gilroy.ca.us>

Subject: EXTERNAL - Firefighter staffing

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Hello,

I reside off Mesa street and I've witnessed the delayed response from the fire department to a witnessed seizure call I saw on my way to work early morning of a 13 year old child on the front lawn. I sat with the patient and waited 18 minutes for response to said home on Mesa. That is unacceptable for the department to be so thin that it delayed treatment and transport of the patient. I pay taxes to the city and deserve the same response times as the folks on 3rd street or other areas like Mantelli or Club drive. This incident I witnessed and stopped for was around 730 am. And Statistics show most fires happen at night and when this happens victims have seconds not minutes. Please consider building more firehouses as was originally planned when Glen Loma was being developed. This is a fast growing city and you need to keep up.

Regards,

Tax payer Raul Mayorga