



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, JUNE 17, 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:

Para acceder a la traducción durante la reunión, por favor escanee el código QR o haga clic en el enlace:

bit.ly/3FBiGA0

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

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

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

The agenda for this 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. Presentation by Silicon Valley Creates of its Interim Report on the Elevate Gilroy Through the Arts Grant Program**

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

This 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. 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.

- 6.1. **Approval of the Action Minutes of the June 3, 2024 City Council Regular Meeting**
- 6.2. **Claim of Maria Garcia (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)**

7. BIDS AND PROPOSALS

- 7.1. **Award a Three-Year Contract in an Amount Not to Exceed \$1,064,272 to Cal-West Lighting & Signal Maintenance, Inc. for Traffic Signal and Streetlight Maintenance and Repair Services**

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

Award a three-year Contract (Contract) in a total amount not to exceed \$1,064,272 to Cal-West Lighting & Signal Maintenance, Inc. for traffic signal and streetlight maintenance and repair services and authorize the City Administrator to execute the Contract and associated documents.

8. PUBLIC HEARINGS

9. UNFINISHED BUSINESS

- 9.1. **Adopt a Resolution of the City Council of the City of Gilroy Calling and Giving Notice of, on Its Own Motion, the Submission to the Electors of the City of Gilroy at a Special Municipal Election, to be Consolidated with the Statewide General Election on November 5, 2024, a Ballot Measure Proposal to Add a 0.25% Dedicated Public Safety Special Transactions and Use Tax**

- 1. Staff Report: Jimmy Forbis, City Administrator
- 2. Public Comment
- 3. Possible Action:

Council:

- a) Discussion and consideration of a Council-sponsored, public safety dedicated special transactions and use tax for the November 5, 2024 statewide general election;
- b) Council discussion and consideration of whether to authorize the City Council or any member or members of the City Council to submit an argument in favor of the City measure on the November 5, 2024 Voter's Sample Ballot, pursuant to Elections Code Section 9282, to be incorporated in the resolution calling the election;
- c) Council discussion and consideration of whether to direct the City Clerk to transmit a copy of the measure to the City Attorney to prepare an impartial analysis, pursuant to Elections Code Section 9280;

- d) Council discussion and consideration of whether to permit rebuttal arguments and authorize the City Council or any member or members of the City Council to submit a rebuttal argument in favor of the City measure in the November 5, 2024 Voter's Sample Ballot, pursuant to Elections Code Section 9285, to be incorporated in the resolution calling the election;
- e) If Council wishes to proceed with the public safety dedicated special transactions and use tax, adopt with any modifications as may be directed by Council a resolution of the City Council of the City of Gilroy calling and giving notice of, on its own motion, the submission to the electors of the City of Gilroy at a special municipal election, to be consolidated with the statewide general election on November 5, 2024, a ballot measure proposal to add a 0.25% dedicated public safety special transactions and use tax; and
- f) Council review and provide direction regarding the draft Public Safety Special Transactions and Use Tax Implementation Plan.

10. INTRODUCTION OF NEW BUSINESS

10.1. Psychiatric Emergency Response Team (PERT) Justice and Mental Health Collaboration Program

- 1. Staff Report: Pedro Espinoza, Police Chief
- 2. Public Comment
- 3. Possible Action:

Receive report.

10.2. Adopt a Resolution Setting the 2024 Fireworks Service Fee for Impacts on City Fire and Police Services Related to the Sale and Use of Safe and Sane Fireworks Pursuant to Gilroy City Code Chapter 10A

- 1. Staff Report: Sharon Goei, Community Development Director
- 2. Public Comment
- 3. Possible Action:

Adopt a Resolution of the City Council of the City of Gilroy setting the 2024 Fireworks Service Fee for impacts on City Fire and Police Services related to the sale and use of safe and sane fireworks pursuant to Gilroy City Code Chapter 10A.

10.3. Approve the Third Amendment to Agreement with the City of Morgan Hill for Providing Staff Services for the Implementation of Stormwater Permitting Requirements and Environmental Services

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

Approve the attached Third Amendment to the Agreement with the City of Morgan Hill to provide shared staff services to the City of Gilroy for stormwater pollution prevention compliance and environmental management services, and authorize the City Administrator to execute the Amendment and related documents.

11. FUTURE COUNCIL INITIATED AGENDA ITEMS

12. CITY ADMINISTRATOR'S REPORTS

13. CITY ATTORNEY'S REPORTS

14. CLOSED SESSION

- 14.1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to GC Sec. 54956.8 and GCC Sec. 17A.8**
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: John M. Filice Jr., Glen Loma Corporation
Under Negotiation: Price and terms of payment

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

July 2024

29 Regular Meeting - 6:00 p.m

August 2024

5 Regular Meeting - 6:00 p.m

19 Regular Meeting - 6:00 p.m

September 2024

9 Regular Meeting - 6:00 p.m

16 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>.

SVCreates Interim Report to the City of Gilroy - June 2024

Elevate Gilroy through the Arts Grant Program

City of Gilroy Investment: \$50,000 over two years.

SVCreates is delighted to report on the achievements of year 1 of the Elevate Gilroy through the Arts program and extends many thanks to the City of Gilroy for its investment in this pilot phase. The initial payment of \$25,000 helped SVCreates award grants for six projects for the Gilroy community. This report summarizes the process and results of the first year of the program.

Grantmaking Process: Pursuant to the objectives, grant guidelines, and evaluation criteria included in our agreement with the City, SVCreates conducted community outreach, grant application support, and technical assistance throughout spring 2023. We received thirteen applications. These applications were reviewed, evaluated and scored by a panel of seven community members and experienced arts producers including: Toni Bowles, Neon Exchange; Victoria Valencia, then with the Gilroy Chamber of Commerce; Consuelo Alba, Watsonville Film Festival; Jaclyn Muro, Gilroy Foundation; Rosalinda Sanchez, Audacity Arts; Frank Johnson, Visit Gilroy; Federico Saldana, Gilroy High School. Panel was facilitated by Alexandra Urbanowski and Valeria Miranda from SVCreates.

Grant Awards: Six projects were selected for funding. Grant awards ranged from \$5,000 to \$20,000. All funded projects identified additional funding sources beyond the Elevate grant and so were able to leverage our grant to attract other funding. SVCreates provided additional support to funded projects through partnership connections, marketing advice, and other technical resources. As of May 1, 2024 half the funded projects are completed; the remainder are in progress with all expected to be completed by end of calendar year 2024 (most by July 2024). Full list and status below.

Completed Projects:

La Ofrenda Festival — Gilroy's Dia de Muertos Festival and Wellness Fair: This inaugural event in October 2023 in downtown Gilroy engaged over three dozen organizational and funding partners, provided payment to approximately 25 artists and arts organizations, and was attended by approximately 3,500 individuals. The Festival leveraged a \$20,000 Elevate grant to secure a total of \$70,000 in funding plus significant additional in-kind contributions.

Chalk Festival - Dia De Los Muertos Theme: Produced by the arts collective MANOS, this festival engaged approximately 1000 attendees and participants in downtown Gilroy on October 7th; families and artists participated in chalk drawing competitions and enjoyed performances, craft vendors and food trucks. The event activated youth volunteers from local high schools to assist with set-up and coordination. The Chalk Festival leveraged a \$12,000 Elevate grant to secure several in-kind contributions including important support from the Downtown Business Association.

The Egleberry Street Patriotic Mural: The South Santa Clara Valley Memorial District unveiled this new mural in July 2023 using a \$5,000 Elevate grant to complete the final phase of the mural and the opening event. This important art piece has beautified and activated a block of the street but most significantly it has increased access to the Veterans Hall in new ways. As noted by Executive Director Christine West: *“The most significant thing we've learned is the power of art. This mural has increased the awareness of the Gilroy Veterans Hall more in the last 6 months than all the marketing has done the last 10 years. This mural has helped give the facility an identity. People - civilians and veterans - stop in just to check out what's inside. We've had a constant flow of veterans who have lived in this community for some time but have never come inside. As a result, we are able to help more veterans.”*

Exhibition Series 2023 – 2024: Gallery 1202 produced a series of three exhibitions featuring local artists that focus on themes relevant to the Gilroy community. Due to facility challenges the final exhibition was delayed until summer 2024. An Elevate grant of \$9,150 funded local artists (predominately Latinx), supplies from local vendors, and other direct costs of the exhibition and public events related to it. The exhibition and related events are free to the public.

Flamin’ Hot: In July and August 2023 this multi-media art show invited local artists to create pieces to celebrate the Flamin’ Hot Cheeto and its historical and cultural significance. Timed to coincide with the release of the film of the same name, this was a wildly popular and well attended exhibition with big community opening and closing events.

Tierra: Opened on May 25th, this two-person showcase features the multifaceted works of Yolanda Guerra and Rosanna Alvarez, celebrating our connection to the earth, the land, and grounding in our community.

Pachuco/Low Rider Culture: Curated by Hortencia Martin, a Gilroy artist & curator, will celebrate low rider culture; the exhibition is schedule to open on July 21st.

Projects in Process:

Traditional Arts Workshop Series: 6th Street Studios & Arts Center produced this workshop series that centers around Traditional Arts, specifically fiber and textile arts that are particularly important to the indigenous cultures native to this area. The workshops are 6-10 weeks long, free to the public, and include additional events to create awareness and to educate the public about these Traditional Art Forms. The first workshop, completed in March, was on Native American Star Quilts, taught by Gilroy native Charlene Eigen-Vasquez. The second workshop on traditional Mexican fiber arts has been delayed due to a change in the artists circumstances. Elevate grant amount of \$12,500 is used for artist fees, workshop materials, and public events.

Gallery in the Alley-Capos Murals: A \$20,000 Elevate grant is funding the installation of a mural collage on one exterior wall of the Capos building in Railroad Alley. This project will be designed and painted by six local artists, with project management by expert mural installers Local Color (a county-wide artist incubator and fiscal agent). Artist selection is currently in process and painting will begin in June. A public ribbon-cutting event will be scheduled for late summer.

Financial Report:

Actual financial expenditures aligned with the original proposed budget. All funds from City of Gilroy went directly to fund grants. SVCreate's administration of this grant program was covered through funding from the Packard Foundation and the County of Santa Clara.

Year One Actuals

Revenue:

Packard Foundation	\$61,150
County of Santa Clara	\$15,000
City of Gilroy	\$25,000
Total:	\$101,150

Expenses:

Direct Grants for Arts Projects:	\$78,650
Program Management/Administration:	\$22,500
Total:	\$101,150

Year Two Plans:

Our objectives, eligibility, and evaluation criteria for year two remain the same. We will be making a few adjustments to the application process and clarifying the requirements in the application itself. Artists and arts organizations based in the greater Gilroy area will be invited to apply to the *Elevate Gilroy* grants program for projects and/or programs to be delivered in Gilroy between August 2024 and August 2025. Grants will be competitive and limited by the available funding. Grant requests will be between \$5,000 and \$15,000. Partial funding may be awarded. Approximately 7 to 10 grants will be awarded. Application deadline will be in June 2023.

Modified Application Process:

Step 1: The application opened on May 3, 2024. Applications will be available online and in hard copy and in English and Spanish. SVCreates will provide one-on-one assistance as needed throughout the application process. Applications were due June 7th.

Step 2: SVCreates held a grant clinic in Gilroy on May 18th to provide guidance to all interested applicants.

Step 3: Applications will be reviewed and evaluated by a panel of local artists and leaders. Highest scoring applications will be invited to meet with the panel to address additional questions about the application and proposed project.

Step 4: A limited number of projects will be selected by the panel to receive funding.

Year Two Budget

Revenue:

Packard Foundation	\$50,000
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County of Santa Clara	\$10,000
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City of Gilroy	\$25,000
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Total:	\$85,000
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Expenses:

Direct Grants for Arts Projects:	\$70,000
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Program Management/Administration:	\$15,000
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Total:	\$85,000
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City Council Meeting Action Minutes

MONDAY, JUNE 3, 2024 | 6:00 PM

1. OPENING

1.1. Call to Order

1.2. Pledge of Allegiance

Council Member Cline led the Pledge of Allegiance.

1.3. Invocation

None

1.4. City Clerk's Report on Posting the Agenda

City Clerk Minor advised the agenda was posted on Thursday, May 30, 2024, at 1:27 PM.

1.5. Roll Call

Attendance	Attendee Name
	Dion Bracco, Council Member
	Rebeca Armendariz, Council Member
	Carol Marques, Council Member
	Zach Hilton, Council Member
	Tom Cline, Council Member
	Fred Tovar, Council Member arrived at 6:19 P.M.
	Marie Blankley, Mayor
Absent	None

1.6. Orders of the Day

None

1.7. Employee Introductions

None

2. CEREMONIAL ITEMS - Proclamations and Awards

None

3. COUNCIL CORRESPONDENCE (Informational Only)

None

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.

Mayor Blankley opened Public Comment

Ron Kirkish read an email to the City Council regarding an item at the last Council meeting.

Robert Butler let the Council know that he is on the board of the downtown theater and is starting the Gilroy Future Filmmakers, and requested information on how to apply for grants.

Robert Zepeda spoke about the H5N1 Avian Flu and what affect it could have on people and the lack of food.

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

5. REPORTS OF COUNCIL MEMBER

Council Member Bracco advised that the library is providing daily lunches for kids on a first come first served basis for the summer.

Council Member Armendariz No report.

Council Member Marques advised that Gilroy Gardens attendance and revenue were down about 20 percent likely caused by the unusually rainy season. Lakeside Splash opened on Memorial Day weekend.

Council Member Hilton reported Silicon Valley Clean Energy Board approved a contract with clear result for support on design and implementation of the commercial and industrial CNI decarbonization program. The Pride Flag was raised in honor of Pride Month.

Council Member Cline No report.

Council Member Tovar No report.

Mayor Blankley noted that Caltrain will be at the August 5, 2024 Council meeting to discuss grade separations and electrification.

6. CONSENT CALENDAR

- 6.1. **Approval of the Action Minutes of the May 20, 2024 City Council Regular Meeting.**
- 6.2. **Adopt a Resolution of the City Council of the City of Gilroy Setting the Appropriation Limit for Fiscal Year 2024-25.**
- 6.3. **Approve First Amendment to the Agreement with HdL Companies for the City's Business License Tax Administration Services.**
- 6.4. **Adopt a Resolution Approving the Fiscal Year 2024-25 Road Rehabilitation Projects for Funding by Senate Bill 1, the Road Repair and Accountability Act of 2017 Funds.**
- 6.5. **Claim of Isabel Christensen (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim).**
- 6.6. **Adopt an Ordinance Amending the Gilroy City Code, Chapter 30 (Zoning), Article XI (Residential Use Tables) in Conformance with the City of Gilroy 2023-2031 Housing Element.**

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Mayor Blankley noted a correction was needed to the May 20, 2024 minutes under her Council Comments. The group name should be South County Task Force. Ms. Minor noted she would make the change.

Mayor Blankley requested to pull Agenda Item Numbers 6.3 and 6.4 and the full Council agreed.

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

MOTION: To approve Consent Calendar Nos. 6.1, 6.2, 6.5, and 6.6.

RESULTS:	PASS: 6-1 ROLL CALL VOTE
MOVER:	Rebeca Armendariz, Council Member
SECONDER:	Dion Bracco, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, BLANKLEY
NOES:	
ABSENT:	TOVAR
ABSTAIN:	

Enactment No.: (6.2) Resolution No. 2024-24

Enactment No.: (6.6) Ordinance No. 2024-01

MOTION: To approve Consent Calendar Nos. 6.3, 6.4.

RESULTS:	PASS: 7 - 0 ROLL CALL VOTE
MOVER:	Tom Cline, Council Member
SECONDER:	Dion Bracco, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

Enactment No.: (6.4) Resolution No. 2024-25

7. BIDS AND PROPOSALS

7.1. Approval of an Agreement for Services in the Amount of up to \$517,668 with Innovative Claims Solutions, Inc. for Workers Compensation Program Claims Administration.

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

MOTION: Approve an Agreement for Services with Innovative Claims Solutions, Inc. in the amount of \$197,935 for workers compensation program claims administration for the period July 1, 2024 through June 30, 2026 with an option to extend up to an additional three years in the amounts of \$103,443 (FY 27), \$106,547 (FY 28), and \$109,743 (FY 29), for a total potential contract amount of \$517,668. Authorize the City Administrator to execute the Agreement.

RESULTS:	PASS: 7 - 0
MOVER:	Dion Bracco, Council Member
SECONDER:	Fred Tovar, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

8. PUBLIC HEARINGS

9. UNFINISHED BUSINESS

9.1. Adopt a Resolution of the City Council of the City of Gilroy Setting the Tax Rate for Fiscal Year 2024-25 (FY25) for the Gilroy Community Library Project Bonds.

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 setting the tax rate for Fiscal Year 2024-25 with respect to the general obligation bonds for the Gilroy Community Library Project.

RESULTS:	PASS: 7-0 ROLL CALL VOTE
MOVER:	Rebeca Armendariz, Council Member
SECONDER:	Fred Tovar, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

Enactment No.: Resolution No. 2024-26

10. INTRODUCTION OF NEW BUSINESS

10.1. Approval of a Memorandum of Understanding among Local Public Agencies in Santa Clara County for the Countywide Food Recovery Program.

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

MOTION: Approve the attached Memorandum of Understanding (MOU) and Authorize the City Administrator to execute this MOU that will allow the City to participate in the Santa Clara County Food Recovery Program (Food Recovery Program) for California Senate Bill 1383 compliance.

RESULTS:	PASS: 7-0
MOVER:	Tom Cline, Council Member
SECONDER:	Rebeca Armendariz, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

11. FUTURE COUNCIL INITIATED AGENDA ITEMS

12. CITY ADMINISTRATOR'S REPORTS

13. CITY ATTORNEY'S REPORTS

14. CLOSED SESSION

14.1. Conference with Legal Counsel – Existing Litigation; Paragraph (1) of Subdivision (d) of 54956.9 and Gilroy City Code Section 17A.11(3)(a); Case Names:

1. WENDY TOWNER; FRANCISCO AGUILERA; NICK MCFARLAND; JUSTIN BATES; BRYNN OTA-MATTHEWS; GABRIELLA GAUS; HARRY DE LA VEGA; BARBARA V. AGUIRRE; ALBERTO ROMERO; BARBARA J. AGUIRRE; LESLEY SANCHEZ, a minor, by and through her Guardian ad Litem Diana Galindo; and LESLIE ANDRES, a minor, by and through her Guardian ad Litem Laura Rodriguez, Plaintiffs, vs. GILROY GARLIC FESTIVAL ASSOCIATION, INC., a California Nonprofit Corporation; FIRST ALARM SECURITY & PATROL, INC., a California Corporation; CITY OF GILROY; and DOES 1 to 100, inclusive, Defendants; Santa Clara County Superior Court; Case No. 19CV358256; Filed November 12, 2019, Fifth Amended Complaint: July 23, 2021

2. VERONICA HENDERSON, Plaintiffs, vs. GILROY GARLIC FESTIVAL ASSOCIATION, INC., a California Nonprofit Corporation; FIRST ALARM SECURITY & PATROL, INC., p. 15 of 149

California Corporation; CITY OF GILROY; CENTURY ARMS, INC.; and DOES 1 to 125, inclusive, Defendants; Santa Clara County Superior Court; Case No. 19CV358256; Filed: October 30, 2020, Second Amended Complaint: July 18, 2022

3. JUAN SALAZAR; LORENA SALAZAR; LYANN SALAZAR, a minor, by and through her Guardian ad Litem Juan Salazar; EDUARDO PONCE; and DASHA PIMENTAL, a minor, by and through her Guardian ad Litem Eduardo Ponce, Plaintiffs, vs. GILROY GARLIC FESTIVAL ASSOCIATION, INC., a California Nonprofit Corporation; FIRST ALARM SECURITY & PATROL, INC., a California Corporation; CITY OF GILROY; CENTURY ARMS, INC.; and DOES 1 to 125, inclusive, Defendants; Santa Clara County Superior Court; Case No. 19CV358256; Filed: September 10, 2020, Third Amended Complaint: July 27, 2021

- 14.2. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** Pursuant to Government Code Section 54957 and Gilroy City Code Section 17A.11 (2); Employee Name/Title: Jimmy Forbis, City Administrator

MOTION: Go into Closed Session.

RESULTS:	PASS: 7-0
MOVER:	Marie Blankley, Mayor
SECONDER:	Carol Marques, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

15. ADJOURN TO OPEN SESSION

Mayor Blankley advised no reportable action.

16. ADJOURNMENT FUTURE MEETING DATES

Meeting was adjourned at 8:21 P.M.

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

DocuSigned by:

Beth Minor

D4244EA57BF7425...

/s/Beth Minor

Interim City Clerk





City of Gilroy

STAFF REPORT

Agenda Item Title: Claim of Maria Garcia (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)

Meeting Date: June 17, 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

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

EXECUTIVE SUMMARY

Based on the recommendation from Municipal Pooling Authority (MPA) and/or legal counsel, the following claim is submitted to the City Council for rejection at the June 17, 2024 meeting:

- Claim of Maria Garcia

Attachments:

1. Claim of Maria Garcia

RECEIVED MAY 15 2024

File With: City Clerk's Office 7351 Rosanna Street Gilroy, CA 95020-6141		CITY OF GILROY CLAIM FOR DAMAGES To Person Or Property		CLAIM No. _____
INSTRUCTIONS 1. Claims for death, injury to person or to personal property must be filed not later than six months after the occurrence. (Gov. Code Sec. 911.2) 2. Claims for damages to real property must be filed not later than 1 year after the occurrence. (Gov. Code Sec. 911.2) 3. Read entire claim before filing. 4. See page 2 for diagram upon which to locate place of accident. 5. This claim form must be signed on page 2 at bottom. 6. Attach separate sheets, if necessary, to give full details. SIGN EACH SHEET.				
TO: CITY OF GILROY		Date of Birth of Claimant: 2/23/1977		
Name of Claimant Maria Garcia		Occupation of Claimant Unknown		
Home Address of Claimant 7178 Rosanna St. Gilroy, CA 95020		Home Telephone Number (669) 239-1134		
Business Address of Claimant 9454 Wilshire Blvd. Suite 303 Beverly Hills, CA 90212		Business Telephone Number (310) 414-3898		
Give address and telephone number to which you desire notices or communications to be sent regarding this claim: 9454 Wilshire Blvd. Suite 303 Beverly Hills, CA 90212 P: (310) 414-3898 F: (310) 414-3899		Claimant's e-mail address katherine@pathwayfirm.com		
When did DAMAGE or INJURY occur? Date: 1/2/2024 Time: 6:30 am If claim is for Equitable Indemnity, give date claimant served with the complaint: Date: N/A		Names of any city employees involved in INJURY or DAMAGE: Hit & Run; Unknown information		
Where did DAMAGE or INJURY occur? Describe fully, and locate on diagram on reverse side of this sheet. Where appropriate, give street names and address and measurements from landmarks: Chestnut St at the cul-da-sac near 7575 Chesnut St. Gilroy, CA.				
Describe in detail the DAMAGE or INJURY occurred: Ms. Garcia was parked on Chestnut St. She was seated in her vehicle while it was parked against the curb. A trash collection vehicle (Recology) started to conduct a u-turn and struck our clients vehicle then fled the scene.				
Why do you claim the city is responsible? Unsafe driving causing injures and property damage.				
Describe in detail each INJURY or DAMAGE: Ms. Garcia's injuries are headaches, neck pain, back pain, and a bruise in the middle of her forehead.				
SEE PAGE 2 (OVER)		THIS CLAIM MUST BE SIGNED ON REVERSE SIDE		

The amount claimed, as or the date of presentation of this claim, is computed as follows:

Damages incurred to date (exact):

Damage to property.....\$ Pending
 Expenses for medical and hospital care.....\$ \$100,000 +
 Loss of earnings.....\$ Pending
 Special damages for.....\$ Pending

General damages.....\$ \$100,00 +
 Total damages incurred to date.....\$ Pending

Estimated prospective damages as far as known:

Future expenses for medical and hospital care...\$ \$100,000 +
 Future loss of earnings.....\$ Pending
 Other prospective special damages.....\$ \$100,000 +
 Prospective general damages.....\$ \$100,000 +
 Total estimate prospective damages.....\$ \$100,00 +

Total amount claimed as of date of presentation of this claim: \$ 100,00 +

Was damage and/or injury investigated by police? Yes If so, what city? Gilroy Police Department
 Were paramedics or ambulance called? No If so, name city or ambulance
N/A If injured, state date, time, name and address of doctor of your first visit
1/3/2024

WITNESSES to DAMAGE or INJURY: List all persons and addresses of persons known to have information:

Name None that we are aware of Address N/A Phone N/A
 Name None that we are aware of Address N/A Phone N/A
 Name None that we are aware of Address N/A Phone N/A

DOCTORS and HOSPITALS:

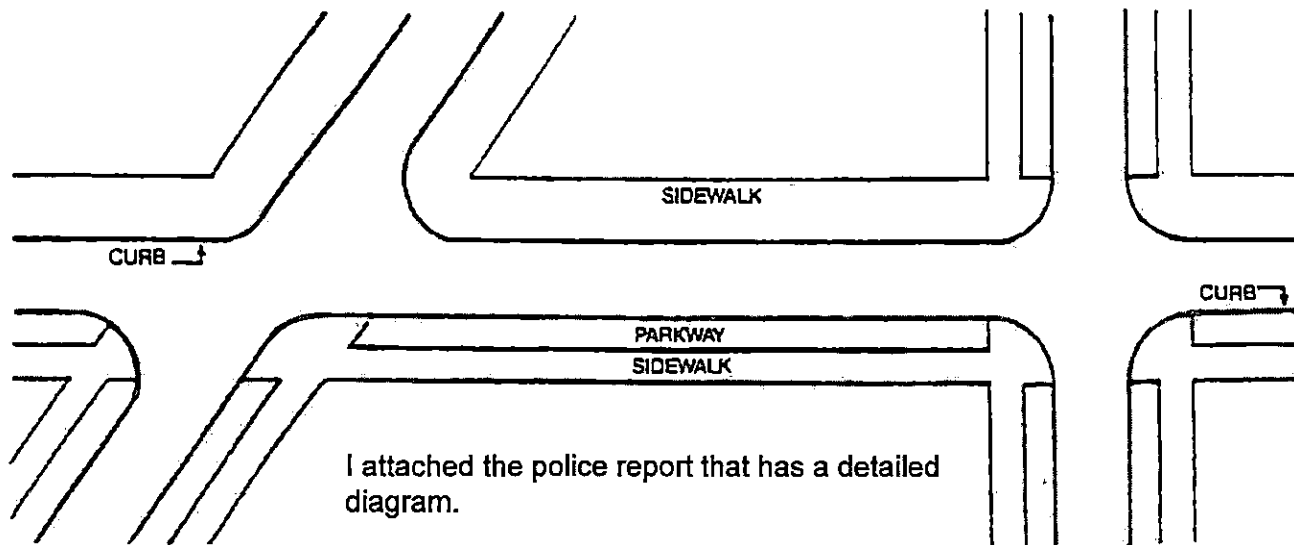
Hospital St. Louise Regional Hospital Address 9400 No Name Uno, Gilroy, CA 95020 Date Hospitalized 1/3/2024
 Doctor Pending Address Pending Date of Treatment Pending
 Doctor Pending Address Pending Date of Treatment Pending

READ CAREFULLY

For all accident claims, place on following diagram names of streets, including North, East, South and West: Indicate place of accident by "X" and by showing house numbers or distances to street corners. If City Vehicle was involved, designate by letter "A" location of City Vehicle when you first saw it, and by "B" location of yourself or your vehicle when you first saw City Vehicle:

Location of City at time of accident by "A-1" and location of yourself or your vehicle at the time of the accident by "B-1" and the point of impact by "X."

NOTE: If diagrams below do not fit the situation, attach hereto a proper diagram signed by claimant.



Signature of Claimant or person filing on his behalf giving relationship to Claimant:

[Handwritten Signature]

Typed Name:

Joe Nazarian, Esq.

Date:

5/9/2024

NOTE: CLAIMS MUST BE FILED WITH CITY CLERK (Gov. Code Sec. 915a). Presentation of a false claim is a felony (Pen. Code Sec. 72).



City of Gilroy

STAFF REPORT

Agenda Item Title: Award a Three-Year Contract in an Amount Not to Exceed \$1,064,272 to Cal-West Lighting & Signal Maintenance, Inc. for Traffic Signal and Streetlight Maintenance and Repair Services

Meeting Date: June 17, 2024

From: Jimmy Forbis, City Administrator

Department: Public Works

Submitted By: Heba El-Guindy, Public Works Director

Prepared By: Susana Ramirez, Engineer I

STRATEGIC PLAN GOALS

Maintain and Improve City Infrastructure

RECOMMENDATION

Award a three-year Contract (Contract) in a total amount not to exceed \$1,064,272 to Cal-West Lighting & Signal Maintenance, Inc. for traffic signal and streetlight maintenance and repair services and authorize the City Administrator to execute the Contract and associated documents.

EXECUTIVE SUMMARY

The City of Gilroy Department of Public Works (Department) oversees operation and maintenance of transportation facilities including traffic signals, streetlights, and other ancillary structures.

The Department does not have internal staff dedicated to regular and emergency traffic signal and streetlight maintenance and repairs, and fulfills this need with the help of a specialized maintenance contractor.

The current maintenance contractor, Cal-West Lighting & Signal Maintenance, Inc. (Cal-West), provides services including routine inspection and preventive maintenance to the City's streetlight and traffic signal systems, emergency repairs, and Underground Service Alert (USA) markings of city traffic signal and streetlight facilities.

The current contract with Cal-West, which is a three-year contract that was executed in 2019 and subsequently extended for two additional one-year terms, will expire on 6/30/24. Staff advertised a new Request for Proposals (RFP) for these services and received three (3) proposals. A panel of staff members evaluated the proposals based on the criteria identified in the RFP and determined that Cal-West is the most qualified and will provide the best value to the City for traffic signal and streetlight maintenance and repair services. Staff recommends that the City Council award a three-year Contract to Cal-West (with the option of extending the Contract up to two additional one-year terms). This will allow Cal-West to continue to provide these essential services to the City.

BACKGROUND

The City, through its current agreement with Cal-West, currently maintains thirty-three (33) City-owned traffic signal systems, eleven (11) Caltrans-owned traffic signal systems, eleven (11) Rectangular Rapid Flashing Beacon (RRFB) crosswalks, two (2) pedestrian hybrid beacons, four (4) solar speed limit radar signs, one (1) red flashing beacon, seventeen (17) yellow flashing beacons, and four thousand eight hundred and forty-seven (4,847) streetlights. The traffic signal systems and streetlights require regular maintenance and repairs.

The City, also through the existing agreement, responds to emergency calls regarding public safety. These responses can range from a simple knockdown to traffic collisions and power outages and could vary in type and frequency from month to month.

The current agreement also allows the City to utilize the contractor for the USA Program. This Program requires the property owner or operator (in this case, the City), to mark all underground utilities such as traffic loops, electrical conduits, and signal networking systems before any third-party excavations can take place. Due to the increase in construction activities within the city, this service is essential and mandatory. Cal-West is the current contractor providing all of the above services for the City.

ANALYSIS

Staff advertised the RFP on May 6, 2024 on the City's website and in the San Jose Mercury News. Staff received three (3) proposals by the closing date of May 20, 2024. The following firms provided proposals:

- St. Francis Electric (with locations in the Bay Area, Central Valley, and Southern California)
- Bear Electrical Solutions, Inc. (with locations in the Bay Area, Sacramento, and Southern California)
- Cal-West Lighting & Signal Maintenance Inc. (based in San Jose, CA)

Staff evaluated the individual proposals based on the firm's qualifications and experience, key staff, and understanding of the required services.

The evaluation criteria were put in place to make sure that the recommended contractor has the technical capability, financial stability, and resources to provide the services required by the City. A selection committee comprised of City staff evaluated the three proposals. Each committee member reviewed the three proposals without the bid pricing form. This allowed for an evaluation of qualifications without the influence of bid pricing. Lastly, the proposed prices were evaluated based on the criteria outlined in the RFP. Total of unit prices per the Base Bid are summarized in the table below.

St. Francis Electric, LLC	Bear Electrical Solutions, Inc.	Cal-West Lighting & Signal Maintenance, Inc.
\$24,711	\$26,719	\$12,410

Based on the above criteria and methodology, Cal-West was selected as the most qualified maintenance contractor that would also provide the best value to the City.

Cal-West staff currently provides services to many nearby communities such as Morgan Hill, Santa Cruz County, Monterey County, and others. This allows for a timely and cost-effective response for all services required. In the event of an emergency, Cal-West staff can provide support within one hour of notification.

In addition, over the past few years, staff has received positive feedback from the community and from the City's Police Department in regard to Cal-West's response time and the efficiency of the services they provide.

Cal-West was able to clearly demonstrate their knowledge of the City's infrastructure and the current state of the City's traffic signal and streetlight systems, as well as the City's current needs. This in turn is expected to result in savings for the City as there will be minimal time and funds spent in re-surveying existing facilities and/or transferring institutional knowledge.

ALTERNATIVES

The alternative to the staff recommendation is to reject all bids. Staff does not recommend this option.

FISCAL IMPACT/FUNDING SOURCE

Annual Signal and Street Light Maintenance Services (Project #800340) is included in the City's Fiscal Year 2024 to Fiscal Year 2028 Capital Improvement Program (CIP), which was adopted by the City Council on June 5, 2023. The CIP allocated a total of \$1,064,272 for these services for FY25, FY26, and FY27.

These services will be funded by the Gas Tax Fund (205). The funding allocation for each year of the three-year Contract is shown below.

Funding Sources	Fiscal Year	Amount
Gas Tax Fund 205	24/25	\$337,596
Gas Tax Fund 205	25/26	\$354,476
Gas Tax Fund 205	26/27	\$372,200
	Total Cost	\$1,064,272

NEXT STEPS

Subject to approval of City Council, the Contract with Cal-West will be executed.

Attachments:

1. Agreement between the City and Cal-West

AGREEMENT FOR SERVICES

(For contracts over \$5,000 – NON-DESIGN, NON-ENGINEERING TYPE CONTRACTOR)

This AGREEMENT made this 17th day of June, 2024, between:

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

and CONTRACTOR: Cal-West Lighting & Signal Maintenance, Inc., having a principal place of business at 530 North Marburg Wy, San Jose, CA 95133.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on 7/1/2024 and will continue in effect through 6/30/2027 unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement shall terminate this Agreement regardless of any other provision stated herein.

Cg
Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONTRACTOR 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 CONTRACTOR or any employee or agent of CONTRACTOR. Both parties acknowledge that CONTRACTOR is not an employee for state or federal tax purposes. CONTRACTOR 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. CONTRACTOR shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONTRACTOR

A. Specific Services

CONTRACTOR agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONTRACTOR 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 CONTRACTOR'S services.

C. Employment of Assistants

CONTRACTOR may, at the CONTRACTOR'S own expense, employ such assistants as CONTRACTOR deems necessary to perform the services required of CONTRACTOR by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONTRACTOR'S assistants in the performance of those services. CONTRACTOR 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

CONTRACTOR shall perform the services required by this Agreement at any place or location and at such times as CONTRACTOR shall determine is necessary to properly and timely perform CONTRACTOR'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONTRACTOR, CITY agrees to pay CONTRACTOR the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONTRACTOR exceed \$1,064,272.00 (three-year contract).

B. Invoices

CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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

CONTRACTOR 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 CONTRACTOR, all fees, fines, licenses, bonds or taxes required of or imposed against CONTRACTOR and all other of CONTRACTOR'S costs of doing business. CITY shall not be

responsible for any expenses incurred by CONTRACTOR in performing services for CITY, except for those expenses constituting “direct expenses” referenced on **Exhibit “A.”**

ARTICLE 5. OBLIGATIONS OF CONTRACTOR

A. Tools and Instrumentalities

CONTRACTOR shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONTRACTOR is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers’ Compensation

CONTRACTOR agrees to provide workers’ compensation insurance for CONTRACTOR’S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys’ fees, arising out of any injury, disability, or death of any of CONTRACTOR’S employees.

C. Indemnification of Liability, Duty to Defend

As to all liability, to the fullest extent permitted by law, CONTRACTOR 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 CONTRACTOR or CONTRACTOR’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, CONTRACTOR 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. As a condition precedent to CITY’S obligations under this Agreement, CONTRACTOR 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 CONTRACTOR under this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONTRACTOR is not CITY'S employee, CONTRACTOR shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONTRACTOR acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONTRACTOR'S payments;
- CITY will not make state or federal unemployment insurance contributions on CONTRACTOR'S behalf;
- CITY will not withhold state or federal income tax from payment to CONTRACTOR;
- CITY will not make disability insurance contributions on behalf of CONTRACTOR;
- CITY will not obtain workers' compensation insurance on behalf of CONTRACTOR.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONTRACTOR and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONTRACTOR'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 CONTRACTOR. Such assignment shall not release CONTRACTOR from any of CONTRACTOR'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of CONTRACTOR's Business/ Death of CONTRACTOR.

CONTRACTOR shall notify CITY of the proposed sale of CONTRACTOR'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 CONTRACTOR set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY' receipt of such notice of sale.

If CONTRACTOR is an individual, this Agreement shall be deemed automatically terminated upon death of CONTRACTOR.

B. Termination by City for Default of CONTRACTOR

Should CONTRACTOR 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 CONTRACTOR. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONTRACTOR'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.
2. CONTRACTOR'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONTRACTOR shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONTRACTOR. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONTRACTOR'S default in the performance of this Agreement or material breach by CONTRACTOR of any of its provisions, then in addition to any other rights and remedies CITY may have, CONTRACTOR 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 CONTRACTOR for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONTRACTOR 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, CONTRACTOR, at the CONTRACTOR'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 CONTRACTOR to CITY.

D. Transition after Termination

Upon termination, CONTRACTOR shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONTRACTOR shall cease such work as soon as it is safe to do so. CONTRACTOR shall incur no further expenses in connection with this Agreement. CONTRACTOR 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 CONTRACTOR's duties by any new CONTRACTOR 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 CONTRACTOR shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONTRACTOR 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 CONTRACTOR shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONTRACTOR, 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 CONTRACTOR 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, CONTRACTOR 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

CONTRACTOR 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 CONTRACTOR and that no person associated with CONTRACTOR 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 CONTRACTOR for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A", Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

L. Waiver

CONTRACTOR 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.

CONTRACTOR:**CITY:**

Cal-West Lighting & Signal Maintenance,
Inc.

CITY OF GILROY

By: Craig H. Geis, Jr.
Name: Craig H. Geis, Jr
Title: President

By: _____
Name: Jimmy Forbis
Title: City Administrator

Social Security or Taxpayer
Identification Number 20-1716563

Approved as to Form

ATTEST:

City Attorney

City Clerk

EXHIBIT “A”

SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONTRACTOR 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, CONTRACTOR agrees to assign Craig H. Geis Jr., 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, CONTRACTOR shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONTRACTOR shall commence the Services upon delivery to CONTRACTOR 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, Susana Ramirez shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONTRACTOR or if otherwise delivered as provided in the **Section V.H.** (“Notices”) of this **Exhibit “A”**.

B. COMPLETION OF SERVICES

When CITY determines that CONTRACTOR has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONTRACTOR written Notice of Final Acceptance, and CONTRACTOR shall not incur any further costs hereunder. CONTRACTOR may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONTRACTOR has not completed all of such Services as required by this Agreement, CITY shall so inform CONTRACTOR 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 CONTRACTOR 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. CONTRACTOR shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONTRACTOR 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 CONTRACTOR’S representations and warranties regarding its skills, qualifications and licenses. CONTRACTOR shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONTRACTOR

CONTRACTOR shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONTRACTOR shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY’S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONTRACTOR shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONTRACTOR’S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

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 CONTRACTOR for the purpose of verifying any and all charges made by CONTRACTOR in connection with this Agreement. CONTRACTOR shall maintain for a minimum period of three (3) years (from the date of final payment to CONTRACTOR), 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 CONTRACTOR, all of which shall be made available to CITY at the CITY’S offices within five (5) business days after CITY’S request.

D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONTRACTOR and all other written and oral information developed or received by or for CONTRACTOR and all other written and oral information submitted to CONTRACTOR in connection with the performance of this Agreement shall be held confidential by CONTRACTOR 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 CONTRACTOR which is otherwise known to CONTRACTOR or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONTRACTOR'S disclosure thereof) shall be deemed confidential. CONTRACTOR shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONTRACTOR have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONTRACTOR may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONTRACTOR shall not be responsible for, and City shall indemnify CONTRACTOR from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

H. NOTICES.

Notices are to be sent as follows:

CITY: Susana Ramirez
 City of Gilroy
 7351 Rosanna Street
 Gilroy, CA 95020

CONTRACTOR: Craig H. Geis Jr.
Cal-West Lighting & Signal Maintenance, Inc.
530 North Marburg Way,
San Jose, CA 95133

I. FEDERAL FUNDING REQUIREMENTS.

- ☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.
- ☒ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONTRACTOR 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 CONTRACTOR warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONTRACTOR, 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.

J. PREVAILING WAGE

CONTRACTOR 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, CONTRACTOR 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.

EXHIBIT “B”

SCOPE OF SERVICES

Traffic Signal Maintenance

- Traffic Signal Routine Maintenance
- Traffic Signal Unscheduled Maintenance
- Traffic Signal Plan Review
- Traffic Signal Construction Inspection
- Underground Service Alerts (USA) for traffic signals
- Traffic Signal Design Modification
- Signal Timing Update

Street Light Maintenance

- Street Light Routine Maintenance and Outages Reporting
- Street Light Unscheduled Maintenance
- Street Light Construction Inspection
- Underground Service Alerts (USA) for streetlights
- Testing of streetlight poles for structural integrity

Task 1 – Unscheduled Maintenance Items

1.1 Definition

Unscheduled Maintenance: which comprises of on-call, non-routine, as directed, and emergency response work, is performed by the traffic signal system and streetlight maintenance contractor (Contractor) selected as a result of this RFP. These works include but are not limited to:

1. Installation of traffic signs onto traffic signal equipment
2. Communication troubleshooting/repair/installation
3. Underground Service Alerts (USA) for traffic signals
4. Inputting signal timing changes
5. Plan review of traffic signal design prepared by others
6. Review of shop drawings for traffic signal equipment
7. Traffic signal construction inspection
8. Other traffic signal system-related work
9. Testing of streetlight poles for structural integrity
10. Underground Service Alerts (USA) for streetlights
11. Numbering of streetlight poles
12. Review of shop drawings of street light equipment
13. Street light construction inspection
14. Other streetlight-related work

1.2 Introduction

The selected Contractor shall be responsible for providing maintenance, repair, and services as directed by the City Engineer or his authorized agent. Work items shall include but not be limited to all items listed in "Attachment C-1" and detailed in Attachment "C-2." Any item not included in "Attachment C-1" shall be negotiated between the selected Contractor and the City on a time and material basis.

The Contractor shall use and provide an Online Maintenance System with free access to designated City staff. The entire online system should be a real-time system. System functionality should include but not be limited to the following:

- Work order tracking
- Work order status updates
- Asset and equipment management
- Maintenance requests
- Maintenance checklists that are maintained and updated regularly

The City intends to utilize **Cityworks** as a public asset management program in the future. The contractor's Online Maintenance System shall have the capability to integrate or export its data to the City's asset management program. The cost to export or integrate the two systems shall be negotiated between the selected Contractor and the City on a time and material basis.

The work to be done shall consist of providing contract maintenance, repair, and services. Maintenance shall include repair of damages resulting from traffic collisions, which have caused dislocation of poles or equipment; Acts of God (i.e., excessive winds, rain, floods, earthquakes, etc.); vandalism; street excavation; or failure of or resurfacing of the street. Repairs shall include, but are not limited to, the following:

1. Detector loop replacement and patching
2. Realignment and replacement of signal indications
3. Video detection replacement, realignment, and detection zone programming
4. Emergency vehicle preemption replacement, realignment, and detection zone programming
5. Aerial and underground splicing of the City's hardwire signal interconnect cable
6. Pedestrian indication and signal indication lamp replacement (LED)
7. Pedestrian head maintenance
8. Battery Back-up System (BBS) repairs, replacements, or installations of a new units.
9. Intersection rewiring and cable pulling
10. Any and all parts of controller mechanism
11. Concrete and foundation repairs
12. Traffic signal pole or equipment replacement
13. Other traffic signal system-related work
14. Streetlight pole or equipment replacement
15. Replacement of lamps and/or photoelectric cells
16. Traffic signal detector maintenance and/or replacement
17. Other streetlight-related work
18. Repair and replacement of Internally Illuminated Street Name Signs (IISNS) and LED street name signs
19. Streetlight pole painting

The selected Contractor shall furnish all tools, equipment, workshop facilities, transportation, labor, parts, and materials and perform all work necessary to maintain in good quality operation all traffic signal and streetlight facilities within the City of Gilroy. The selected Contractor shall have all necessary tools, equipment, workshop facilities, transportation, labor, parts, and materials to test and maintain Light Emitting Diodes (LEDs). All work performed or equipment and parts supplied by the Contractor shall be subject to inspection and approval of the City Engineer or his authorized agent. Failure to pass inspection on any maintenance, repair, or service item shall result in non-payment for that item until such time that the Contractor can present the item to the City in an acceptable form.

1.3 Work Authorization Forms

A "Work Authorization Form" shall be provided prior to work commencing any non-routine work items. The Contractor shall provide their cost estimates on the "Work Authorization Form" and shall prepare a work authorization form for any verbally authorized work or emergency response work. This form shall be signed and accepted by the City prior to commencement of work. During an emergency situation, the Contractor shall complete the work authorization form and submit to the City within 24-hrs of work completion. This form shall provide the Contractor with the location, work to be performed, required completion date, authorization to proceed, and a City or Contractor itemized estimate based on costs provided by the Contractor in their proposals. All costs shall be detailed, unbundled, and listed separately. Actual time spent on the job and work completed or in progress will be inspected by City staff on a random basis. "Work Authorization Forms" shall be prepared for all items of work for comparison to the final billing to assure that proper costs and estimating procedures have been followed. Any additional work not on the completed "Work Authorization Form" shall not be allowed until first approved by the City Engineer or his authorized agent.

1.4 Verbal Notification

The Contractor shall respond on verbal notification from the City Engineer or his authorized agent to all work items. Verbal notification will typically be given for "Standard" and/or "Emergency" response work items. If verbal notification is given and no response time is provided, the Contractor shall respond on an emergency basis.

When the Contractor receives verbal notification to complete a "Scheduled Response" work item, the Contractor shall prepare a field generated "Work Authorization Form" and submit it to the City for final approval within two (2) working days after receiving notification. The Contractor shall note the date, time, type of response, and City employee providing the verbal authorization on the "Work Authorization Form."

See Task 3 – Response for response definitions.

1.5 Contractor Notification

The Contractor shall notify the City Engineer or his authorized agent of any and all repairs and/or replacements to the signal system at least forty eight (48) hours prior to the start of work to allow for proper inspection of work. Emergency response work provided by the City does not require this notification process.

The City Engineer or his authorized agent shall have the final decision on what is authorized. The Contractor shall not be paid until work is complete and the City is notified of the completion for final inspection and approval. **Compliance with the authorization procedure shall not relieve the Contractor from making necessary repairs within a timely manner.**

2.1 Definition

Routine Preventive Maintenance shall be performed by the Contractor responsible for preventative maintenance and the associated operation of streetlight equipment, equipment associated with RRFB crosswalks, flashing beacon apparatus, and traffic signal controllers and cabinet equipment.

A full traffic signal intersection inventory shall be conducted and provided to the City in both electronic and hardcopy form during the beginning of the contract. The inventory shall include but not be limited to location, major & minor street, Cabinet type, BBS, EVP, RR Preemption, Controller Type, Control Communication Type, CCTV, Video Detection, WAP, Traffic Loops, pole data and etc. This work shall be done in conjunction with the first routine preventive maintenance and at no additional cost to the City.

2.2 Traffic Signals, RRFB Crosswalks, Solar Speed Signs, and Flashing Beacons

The Contractor agrees to the following preventative maintenance schedule for traffic signals, RRFB crosswalks, and flashing beacons to be paid at the rate identified in C-1 Items:

Monthly Routine Maintenance

- Visually inspect controller for proper operation
- Visually inspect all vehicular and pedestrian signals for proper operation
- Visually inspect all LED signal units for proper operation, and replace outages found
- Check the time setting and match with time sheet in controller cabinet
- Visually inspect Battery Backup System (BBS)
- Visually inspect all detections (Video, loop, and etc.)
- Night checks of safety lights and internally illuminated street name signs (IISNS), when applicable, twice each calendar month to determine outages and/or minor tree trimming needs, if necessary (See 2.4 Night Checks for guidelines and requirements)
- Turn off utility power and make sure BBS switches effectively to BBS power
- Manually record inspection date and time in controller cabinet and send written confirmation of monthly inspection with recommendations to the City by intersection/location (See Task 4 – Reports for additional requirements)
- Activate solar speed feedback sign for proper operations
- Record solar speed feedback sign results on monthly inspection with recommendations to the City by location (See Task 4 – Reports for additional requirements)
- Actuate and check RRFB flashing crosswalk, including associated sign, for proper operation
- Record RRFB crosswalk results on monthly inspection with recommendations to the City by location (See Task 4 – Reports for additional requirements)
- Night checks of all streetlight within the City limit per the “Street Light Night Check Zones”. The contractor shall check one(1) zone per month. There are 8 zones total.
- Record results on streetlight monthly inspection with recommendations to the City by location address, and pole number.

3-Month Routine (In addition to monthly)

7.1

- Check emergency vehicle detection, video detection, and signal interconnect, where applicable, for proper operation
- Check detector amplifiers and tune, if needed
- Actuate and check each pedestrian push button for proper operation
- Visually inspect roadway along loop detectors for possible exposed wires, cracks, and potholes
- Rotate batteries in BBS for improved battery charging life
- Manually record inspection date and time in controller cabinet and send written confirmation of 3-month inspection with recommendations to the City by intersection/location (See Task 4 – Reports for additional requirements)

6-Month Routine (In addition to monthly and 3-month)

- Check controller cabinet filter
- Check ground rod clamp and wire
- Check wire schematics and records to make sure they are in the cabinet
- Check operation of the fan
- Check operation of ground fault receptacle
- Measure voltage at service inputs in cabinet and record
- Visually check for bent visors and back plates
- Visually check integrity of splices
- Check BBS battery voltage/amp output and make recommendation for battery replacement when necessary
- Test BBS charging system
- Manually record inspection date and time in controller cabinet and send written confirmation of 6-month inspection with recommendations to the City by intersection/location (See Task 4 – Reports for additional requirements)
- Clean and vacuum controller cabinet

Annual Routine (In addition to monthly, 3-month, and 6-month)

- Replace all incandescent lamps in all signals with LED lamps
- Clean and polish all lenses and reflectors
- Vacuum and clean controller cabinet and contents
- Replace cabinet filter
- Check weatherproof gasket seal on controller cabinets
- Check for water accumulation and duct sealant
- Lubricate hinges and lock on controller cabinets
- Check alignment of all signal heads
- Check indicator lamps
- Check all connectors
- Check detector extensions
- Check load switches
- Check relays
- Check conflict monitor and provide City with computerized report in Microsoft Excel identifying each intersection's results.
- Clean BBS
- Check all BBS connections and clean terminals
- Manually record inspection date and time in controller cabinet and send written confirmation of annual inspection with recommendations to the City by intersection/location (See Task 4 – Reports for additional requirements)
- Verify signal timing in controller and field signal timing sheets are consistent. Send a copy of signal timing sheets to the City with the date of inspection.
- Submit electronic and hardcopy of traffic signal intersection hardware inventory with connection diagrams. The inventory shall include but not be limited to location, major & minor street, cabinet type, BBS, EVP, RR Preemption, controller type, control communication type, CCTV, video detection, WAP, traffic loops, pole data, conduit sizes and etc. (see Attachment D for example)

The Contractor agrees to the following maintenance for streetlights to be paid at the rate identified in C-1," Item Streetlight Maintenance:

- Replace lamps that have become inoperative by virtue of burnout. Replacement lamps shall be substantially equivalent to those replaced.
- Replacement of Light Emitting Diode (LED) streetlight that have been inoperative by virtue of failure. Replacement LED streetlights shall be per the City Standard. If the cause of failure is covered under manufacture warranty, the Contractor shall coordinate with the LED manufacture and provide removal and installation.
- Replace photoelectric cells that have become inoperative from normal deterioration.
- Minor trimming of trees below the light fixture for the purpose of allowing a reasonable amount of light to be let through. Trimming is limited to within three (3) feet of the bottom of the fixture.
- Night check of each streetlight and safety light within the City's jurisdiction each month to determine electrolier outages, pole condition, and/or minor tree trimming needs. See 2.4 Night Checks for guidelines and requirements.
- Maintain and submit a monthly log listing each call received, the name of the caller (if given), the date of the call, the outage or other problem reported by the caller, and the location of the outage or other problem reported by the caller. See Task 4 – Reports for additional requirements.
- Replace photo-reflective pole numbers that are no longer visible and in conformance to City Standards.
- Inspect street light pole integrity and replace the pole on an as needed basis.

The replacement services to be performed by the Contractor encompass outages from normal deterioration. Each inoperative lamp and/or photoelectric cell shall be replaced within five (5) working days or less from the date the Contractor receives notice from the City. See Task 3 – Response for additional requirements.

2.4 Night Checks

The Contractor agrees to conduct night checks monthly during non-daylight hours as follows:

- Contractor shall submit with this proposal a Zone Map dividing the city (within the City Limit) into six (6) zones. The City has attached an example of the zoning map for the contractor used. The contractor may use this zone map.
- Contractor shall submit with this proposal a schedule for conducting night (non-daylight hour) checks in the 6 zones.
- Contractor shall submit an action plan of keeping track of the City's complete streetlight inventory.
- Contractor shall check each streetlight, safety light, and IISNS (if applicable) in the assigned zone for the corresponding monthly check during non-daylight hours for outages, pole condition, and/or minor tree timing needs monthly.
- Contractor shall maintain and submit a monthly log for all night checks including but not limited to date of visit and location of outage or other problem. See Task 4 – Reports for additional requirements.

3.1 Emergency Response (one hour maximum response time)

This item is considered to be a safety concern. When notified by the City to respond to an emergency situation, the Contractor shall be at the site in one (1) hour or less from the time of notification. Examples of a situation that would require an emergency response include but not limited to signal and/or streetlight knockdowns, block of streetlights out-of-service, signal damage, red lamp outages (LED), turned or misaligned signal head, or other repairs designated emergency response by the City. The Contractor shall maintain a twenty-four (24) hour per day emergency service for the replacement of burned out lamps or repair of any traffic signal or associated traffic signal equipment. The Contractor shall maintain a local telephone number where he can be reached twenty-four (24) hours per day. This telephone number shall be made available to the Engineering Division and the Gilroy Police Department. The Contractor shall make **IMMEDIATE** maintenance calls when notified by the City and informed that the call is an emergency. In no instance shall the response time to an emergency call exceed one (1) hour from the time of notification.

3.2 Standard Response (24 hours maximum response time)

This item is considered important but not an immediate safety concern. Maintenance and repair requests made on a regular basis shall be responded to within 24 hours of notification. In no event will regular response work be considered overtime without prior approval of the City Engineer or his authorized agent. Examples of work that would require a regular response are, but not limited to, signal equipment repair/replacement, pedestrian head outages (modification kits), vehicle detection problems, field wiring, routine lamp outages, and streetlight lamp outages.

3.2.1 Standard High Priority Response (same day response time)

This item is considered high priority but not an immediate safety concern. Maintenance and repair requests made on a high priority basis shall be responded to the same day as the notification. High priority items will be determined by the City Engineer or his/her representative.

3.3 As-Required/Scheduled Response (five working day maximum response time)

Maintenance and repair requests made by the City that are not critical or the work involved is of such nature as to require advance scheduling shall be completed on an “As-Required” basis. Work authorizations of this type shall include a completion date to be shown on the work schedule. Examples of “As-Required/Scheduled” maintenance would include but not limited to loop repair/replacement, major equipment repair/replacement, and permanent replacement of knockdowns, major rewiring, and intersection modifications.

The formats presented above are only guidelines and do not relieve the Contractor of the responsibility to perform. At all times, the contractor shall be required to respond to any work request in any of the above manners as the City determines necessary. If the City should fail to provide the Contractor with the required response time, the Contractor shall proceed under the guidelines of “As-Required/Scheduled” response unless the work item requires a more immediate response, as covered in the Request for Qualifications. The City may at any time amend the response requirement for specific work items by notifying the Contractor either verbally or in writing. Time extension may be granted due to material delay when the Contractor has demonstrated that the delay was beyond the Contractor’s control.

Task 4 – Reports

4.1 Monthly Maintenance Reports

The Contractor shall submit to the Engineering Division within ten (10) working days from the last day of each month a detailed monthly computer summary printout of all traffic signal system and streetlight repair and emergency calls made. The summary shall provide the following information:

TRAFFIC SIGNALS, RRFB CROSSWALKS, SOLAR SPEED FEED-BACK SIGNS, AND FLASHING BEACONS

1. Date, time, City employee, and employee telephone number initiating the call
2. Location by intersection/location and number (see Attachment “C”), as provided by the City, and identification by a specific corner and/or direction of travel
3. Nature of the malfunction, if any found, and a description of the action taken by the Contractor
4. Date, time, and name of Contractor’s personnel conducting night check (when applicable)
5. Date and time the Contractor’s personnel and equipment arrived on the scene
6. Date and time the job was completed

STREETLIGHTS

1. Date, time, City employee or caller name (if given), and telephone number initiating the call
2. Location by streetlight number, as provided by the City, and identification by street name and/or address and nearest cross street
3. Nature of the malfunction, if any found, and a description of the action taken by the Contractor
4. Date, time, and name of Contractor’s personnel conducting night check (when applicable)
5. Date and time the Contractor’s personnel and equipment arrived on the scene
6. Date and time the job was completed

4.2 Morning Call-In (Daily)

The Contractor must email every morning (Monday - Friday by 8:30 am) and notify the City Engineer or his authorized agent of any and all work scheduled to take place during that day. If scheduled work is completed and the Engineering Division has not been notified in advance, payment will not be made until the work can be inspected by City staff.

4.3 Detailed Cost Summary

The Contractor shall provide a detailed cost summary with the monthly invoices detailing work completed for each work authorization. See Compensation for additional details.

Task 5 – Traffic Signal Plan Review

The Contractor may be required to performed traffic signal plan review for the City. The Contractor shall have the ability to professionally review traffic signal plans from the City and have a turnaround time no greater than five (5) working days.

Task 6 – Traffic Signal Construction Inspection

The contractor may be required to perform traffic signal construction inspections. The contractor shall have a competent inspector on site as directed by the City. The inspector shall provide daily reports to the City representative.

Task 7 – Traffic Signal Design Modification

The contractor may be required to perform on site traffic signal modifications. Modifications may include installation of left turn arrows, on-site signal timing changes, loop length increases, advance detection zone changes and etc.

PROGRAM REQUIREMENTS

1. The Contractor shall be required to maintain a primary facility location within seventy (70) miles of the City limits of Gilroy. This requirement is mandated to assure the response by the Contractor is accomplished in a timely manner and in the case of emergencies, within one (1) hour. The facility must be equipped with mobile equipment such as ladder trucks, boom trucks, and related equipment and must also be equipped with facilities to effectuate traffic signal equipment repairs.
2. The Contractor must provide an experienced, competent Superintendent and field technician who will be responsible for effectively supervising all work in progress. In addition to supervision or work in progress, the Superintendent must be capable of instructing his subordinates in correct and proper maintenance techniques.
3. The Contractor must employ competent, experienced traffic signal and streetlight technicians (International Municipal Signal Association (IMSA) Certification desirable) qualified in repair or trouble detection of the City's traffic signal and lighting equipment. If any subcontractor, Superintendent, Foreman, laborer, or other person employed or associated with the Contractor appears to City staff to be intemperate, incompetent, troublesome, or otherwise undesirable to be employed on the work site, that employee shall be immediately removed from the work site at the request of the City Engineer or his authorized agent.
4. The Contractor shall be responsible for providing all necessary traffic control equipment in all construction or maintenance zones per the latest CA MUTCD, or most recent edition, or as determined by the City Engineer or his authorized agent to be required to give adequate warning of any dangerous conditions that may be encountered, prevent accidents, and avoid damage or injury to the public. In addition, the Contractor shall not close more than one lane of travel at a time unless otherwise authorized by the City Engineer or his authorized agent. Lane closures from 7:00 am to 8:30 am and 4:00 pm to 6:00 pm are not permitted for Standard or As-Required/Scheduled Maintenance. Emergency repairs shall be made whenever required and are not subject to the aforementioned time restrictions.
5. The Contractor shall conduct his operations in order to minimize obstruction and inconvenience to public travel. At no time shall the Contractor be allowed to stop work for the purposes of a "coffee break" when the public right-of-way is impeded unless the work being done requires more than four (4) hours to complete.

Whenever the Contractor's operations create a condition hazardous to traffic or to the public, he shall furnish and maintain, as necessary, fences, barricades, lights, signs, safety cones, and other devices per the latest CA MUTCD, or most recent edition, or as determined by the City Engineer or his authorized agent to be required to give adequate warning of any dangerous conditions that may be encountered, prevent accidents, and avoid damage or injury to the public. Failure to provide necessary devices shall be cause for stopping of work and vacating the job site until the situation is remedied.

6. The Contractor shall be responsible for the correct placement, number, and monitoring of temporary traffic signals and controls.

7. The Contractor shall be equipped with the spare parts in sufficient quantities to maintain signal and streetlight operations. In those instances where a complex device, equipment, or component has to be repaired or replaced, the Contractor shall install a temporary replacement of his own until such time as the part can be permanently repaired or replaced.
8. Should construction be underway by other forces or by other contractors within or adjacent to the limits of the work specified or should work of any other nature be underway by other forces within or adjacent to the said limits, the Contractor shall cooperate with all such other contractor's or other forces to the end that any delay, duplication, or hindrance to their work shall be avoided.
9. All work shall conform to the most recent edition of Caltrans Standard Plans and Specifications and the City of Gilroy Standard Details and Specifications.
10. The City Engineer or his authorized agent shall have access at all times to work completed or in progress and shall be furnished with all reasonable means and facilities for ascertaining the progress of work and the quality of the materials used. All work performed and all materials furnished shall be subject to the City Engineer or his authorized agent's inspection and approval. Any item not meeting the City Engineer or his authorized agent's complete satisfaction shall be replaced immediately.

Inspection of work shall not relieve the Contractor of any obligation to fulfill the contract as prescribed. Defective work or materials shall be made good, and unsuitable material may be rejected notwithstanding the fact that such defective work and unsuitable materials have been previously inspected by the City Engineer or his authorized agent and accepted.

11. All work, which is determined by the City Engineer or his authorized agent to be defective in its construction or is deficient in any way, shall be remedied or removed by the Contractor at his expense in a manner acceptable to the City.
12. The City Engineer or his authorized agent shall decide all questions that may arise regarding the quality or acceptability of materials furnished or work performed, the manner of performance and rate of progress of the work, and the acceptable fulfillment of the contract. The City Engineer's decision shall be final.
13. All fixed time, semi actuated, and fully actuated signals installed during the life of the contract shall be added to those already maintained by the Contractor, as the City notifies the Contractor of the installation thereof. These signals shall be maintained at the same rate and in the same manner as those covered by the agreement. In the event notification is made at other than the beginning of the monthly contract period, payment for that month shall be prorated from the day the Contractor is notified.
14. All RRFB crosswalks added throughout the life of the contract shall be maintained by the Contractor, as the City notifies the Contractor of the installation thereof. These RRFB crosswalks shall be maintained at the same rate and in the same manner as those covered by the agreement. In the event notification is made at other than the beginning of the monthly contract period, payment for that month shall be prorated from the day the Contractor is notified.

15. All flashing beacons (not part of traffic signal assembly) added throughout the life of the contract shall be maintained by the Contractor, as the City notifies the Contractor of the installation thereof. These flashing beacons shall be maintained at the same rate and in the same manner as those covered by the agreement. In the event notification is made at other than the beginning of the monthly contract period, payment for that month shall be prorated from the day the Contractor is notified.
16. All electroliers added throughout the life of the contract shall be maintained by the Contractor, as the City notifies the Contractor of the installation thereof. These electroliers shall be maintained at the same rate and in the same manner as those covered by the agreement. In the event notification is made at other than the beginning of the monthly contract period, payment for that month shall be prorated from the day the Contractor is notified.

EXHIBIT “C”
MILESTONE SCHEDULE

Routine maintenance work shall be completed as described in Task 2.

Unscheduled maintenance or repairs shall be performed as needed.

EXHIBIT “D”**PAYMENT SCHEDULE**

The Contractor shall submit to the Engineering Division an invoice for each month of maintenance. The invoice shall include the date and time of the service call, date and time of arrival at the location, date and time of completion of the prescribed work, description of service rendered, and a detailed listing of parts, equipment, and labor utilized in this repair. Follow-up work such as permanent knockdown replacements or other As-Required/ Scheduled Maintenance shall include all of the above and a copy of the City-authorized “Work Authorization Form.”

The Contractor shall be compensated for labor and mobile equipment for any regular maintenance or services in accordance with the rates set forth in the proposal. Overtime rates shall be charged, if any, only on weekdays from 5:00 pm to 8:00 am, Saturdays, Sundays, and all national holidays. Overtime shall be charged for only the actual time spent at the work site in fifteen (15) minute increments and any minimum call-out. The Contractor shall submit time sheets at the request of the City Engineer or his authorized agent to confirm any personnel and mobile equipment charges whether for regular time or overtime. The Contractor's rates set forth in the proposal shall be complete and final. No other charges shall be permitted other than those stated in the Contractor's proposal.

The Contractor shall be compensated at cost plus ten (10) percent for all material supplies. not specifically included in the below rate sheet. Upon demand, the contractor shall submit to the City Engineer or his authorized agent copies of the material supplier's invoices for any materials used or supplied under this contract.

Revised 5-15-24

ATTACHMENT C-1 – WORK ITEMS AND COST PROPOSAL WORKSHEET**ROUTINE PREVENTATIVE MAINTENANCE ITEMS (BASE BID)**

See Attachment “C-3” for a detailed inventory (and general exceptions) of the following items:

MONTHLY MAINTENANCE	ESTIMATED QUANTITY	COST	UNIT
<u>Base Contract Items:</u>			
1. Traffic Signal Maintenance (Monthly) (City Owned and Maintained)	33 intersections/month	\$ <u>80.00</u> \$ <u>2640.00</u>	PER EACH EXT. COST
2. Traffic Signal Maintenance (3-Month) (City Owned and Maintained)	33 intersections/month (Add-on Cost to item 1)	\$ <u>0.00-included</u> \$ <u>0.00-included</u>	PER EACH (R) EXT. COST
3. Traffic Signal Maintenance (6-Month) (City Owned and Maintained)	33 intersections/month (Add-on Cost to item 1, 2)	\$ <u>0.00-included</u> \$ <u>0.00-included</u>	PER EACH (R) EXT. COST
4. Traffic Signal Maintenance (Annually) (City Owned and Maintained)	33 intersections/month (Add-on Cost to item 1, 2, 3)	\$ <u>0.00-included</u> \$ <u>0.00-included</u>	PER EACH (R) EXT. COST
5. RRFB Crosswalk Maintenance (City Owned and Maintained)	7 flashing x-walk/month	\$ <u>50.00</u> \$ <u>350.00</u>	PER EACH EXT. COST
6. RRFB Crosswalk Maintenance (Caltrans Owned/City Maintained)	4 flashing x-walk/month	\$ <u>50.00</u> \$ <u>200.00</u>	PER EACH EXT. COST
7. Flashing Red Beacon Maintenance (City Owned and Maintained)	1 flashing beacon/month	\$ <u>50.00</u> \$ <u>50.00</u>	PER EACH EXT. COST
8. Flashing Yellow Beacon Maintenance (City Owned and Maintained)	17 flashing beacon/month	\$ <u>50.00</u> \$ <u>850.00</u>	PER EACH EXT. COST
9. Solar Speed Limit Radar Signs	4 solar radar sign/month	\$ <u>70.00</u> \$ <u>280.00</u>	PER EACH EXT. COST
10. Pedestrian Hybrid Beacon Maintenance	2 ped hybrid beacon/month	\$ <u>80.00</u> \$ <u>160.00</u>	PER EACH EXT. COST
11. Traffic Signal Maintenance (Monthly) (Caltrans Owned/City Maintained)	11 intersections/month	\$ <u>80.00</u> \$ <u>880.00</u>	PER EACH EXT. COST
12. Traffic Signal Maintenance (3-Month) (Caltrans Owned/City Maintained)	11 intersections/month (Add-on Cost to item 9)	\$ <u>0.00-included</u> \$ <u>0.00-included</u>	PER EACH (R) EXT. COST
13. Traffic Signal Maintenance (6-Month) (Caltrans Owned/City Maintained)	11 intersections/month (Add-on Cost to item 9, 10)	\$ <u>0.00-included</u> \$ <u>0.00-included</u>	PER EACH (R) EXT. COST

14. Traffic Signal Maintenance (Annually) (Caltrans Owned/City Maintained)	11 intersections/month (Add-on Cost to item 9, 10, 11)	\$ <u>0.00-included</u> \$ <u>0.00-included</u>	PER EACH (R) EXT. COST
15. Streetlight Night Check Per Zone (City maintained)	1 zone/month	\$ <u>1500.00</u>	PER EACH (R)
16. USA Marking (streetlight and signal) (Caltrans/City Maintained)	1 each (Marking/Remark only) (Assume 100 locations/month)*	\$ <u>55.00</u> \$ <u>5500.00</u>	PER EACH EXT. COST

Subtotal \$ 12,410 (Twelve thousand four hundred ten dollars) per month

(R) – denotes revocable items. City may elect to revoke this item at any time.

*** - Actual count varies (actual cost shall be based on unit price)**

UNSCHEDULED MAINTENANCE ITEMS

See Attachment "D" for a description of the following items:

EQUIPMENT	COST	UNIT
1. Service Truck.....	\$ <u>10.00</u>	PER HOUR
2. Service Truck with arrow board.....	\$ <u>15.00</u>	PER HOUR
3. Arrow Board.....	\$ <u>0.00</u>	PER HOUR
4. Dump Truck.....	\$ <u>30.00</u>	PER HOUR
5. Air Compressor.....	\$ <u>0.00</u>	PER HOUR
6. Bucket Truck.....	\$ <u>30.00</u>	PER HOUR
7. Boom Truck.....	\$ <u>100.00</u>	PER HOUR
8. Concrete Saw.....	\$ <u>0.00</u>	PER HOUR
9. Lighting Trailer.....	\$ <u>0.00</u>	PER HOUR
PERSONNEL	COST	UNIT
10. Field Technician Supervisor – Regular	\$ <u>145.00</u>	PER HOUR
11. Field Technician Supervisor – Overtime	\$ <u>235.00</u>	PER HOUR
12. Electrical Technician – Regular	\$ <u>145.00</u>	PER HOUR
13. Electrical Technician – Overtime	\$ <u>235.00</u>	PER HOUR
14. Traffic Technician – Regular	\$ <u>145.00</u>	PER HOUR
15. Traffic Technician – Overtime	\$ <u>235.00</u>	PER HOUR
16. Field Technician – Regular	\$ <u>85.00</u>	PER HOUR
17. Field Technician – Overtime	\$ <u>125.00</u>	PER HOUR
18. Crane Operator – Regular	\$ <u>145.00</u>	PER HOUR
19. Crane Operator – Overtime	\$ <u>235.00</u>	PER HOUR

20. Engineering Technician	\$ 145.00	PER HOUR
21. GIS Specialist	\$ 145.00	PER HOUR
22. Traffic Engineer/ Electrical Engineer	\$ 185.00	PER HOUR
23. Clerical Support	\$ 75.00	PER HOUR

REPAIRS	COST	UNIT
24. Turned Signal Head	\$ 90.00	PER EACH
25. Turned Signal Head – Overtime	\$ 530.00	PER EACH
26. Turned PED Head	\$ 90.00	PER EACH
27. Turned PED Head – Overtime	\$ 530.00	PER EACH
28. Loose Back Plate	\$ 90.00	PER EACH
29. Bulb Call	\$ 90.00	PER EACH
30. Bulb Call – Overtime	\$ 530.00	PER EACH
31. LED Lamp Out	\$ 180.00	PER EACH
32. LED Lamp Out – Overtime	\$ 600.00	PER EACH
33. Re-splice Loop	\$ 100.00	PER EACH
34. Epoxy Loop	\$ 200.00	PER EACH
35a. Fiber Optic Fusion Splicing (single mode)	\$ 180.00	PER STRAND
35b. Fiber Optic Fusion Splicing (multimode)	\$ 180.00	PER STRAND
36. Type 1-A Pole (10' or 7')	\$ 800.00	PER EACH
37. 5 Section 12" Signal Head (including reflector, lamp, visor & back plate)	\$ 850.00	PER EACH
38. MAS 5-Signal Head	\$ 850.00	PER EACH
39. 3-section 12" signal head	\$ 475.00	PER EACH
40. 3-section 12" arrow signal head	\$ 475.00	PER EACH
41. Signal mount, pole	\$ 250.00	PER EACH
42. Signal mount, mast arm	\$ 150.00	PER EACH
43a. Pedestrian push button assembly (side mount)	\$ 150.00	PER EACH
43b. Pedestrian push button assembly (top mount)	\$ 150.00	PER EACH
44a. PPB housing and sign (side mount)	\$ 100.00	PER EACH
44b. PPB housing and sign (top mount)	\$ 100.00	PER EACH
45. 4102-3p (ICC) universal Z crate visor	\$ 80.00	PER EACH
46. Pull box #5	\$	PER EACH

46a. Pull box #5 in dirt	\$ 450.00	PER EACH
46b. Pull box #5 in concrete	\$ 600.00	PER EACH
47. Pull box #6	\$	PER EACH
47a. Pull box #6 in dirt	\$ 500.00	PER EACH
47b. Pull box #6 in concrete	\$ 650.00	PER EACH
48. Pull box #6E	\$	PER EACH
48a. Pull box #6E in dirt	\$ 650.00	PER EACH
48b. Pull box #6E in concrete	\$ 800.00	PER EACH
49. Pull box #7E	\$	PER EACH
49a. Pull box #7E in dirt	\$ 650.00	PER EACH
49b. Pull box #7E in concrete	\$ 800.00	PER EACH
50. Type III AF service	\$ 6500.00	PER EACH
51. Telco Pedestal	\$	PER EACH
52. Telco Pedestal 2 Blocks/ground rod inst.	\$	PER EACH
53. 4094-D (ICC) type G intl. Neon ped head	\$ n/a	PER EACH
54. PED Mod Kit Installed	\$ 375.00	PER EACH
55. Loop installation (6'x6') – single	\$ 800.00	PER EACH
56. Loop installation (6'x6') – Series of 4 Loops	\$ 3200.00	PER EACH
57. Video Detection (Autoscope) – One camera + mini hub	\$ <u>market price</u> ¹	PER EACH
58. Video Detection (Autoscope) – four cameras + mini hub	\$ <u>market price</u> ¹	PER EACH
59. Stub out installation	\$ 250.00	PER EACH
60. IISNS Repair	\$ 300.00	PER EACH
61. Signal/Ped Head painting	\$ 250.00	PER EACH
62. 12 pair cable (pe22) installed/ 100'	\$ 600.00	PER 100'
63. 25 pair cable (pe22) installed/ 100'	\$ 700.00	PER 100'
64. OSP Cat5e Cable installed/ 100'	\$ 600.00	PER 100'
65. Trench 1.5" , schedule 40, conduit installed/ 100'	\$ 6000.00	PER 100'
66. Trench 3.0" , schedule 40, conduit installed/ 100'	\$ 6500.00	PER 100'
67. Trench colored quad-duct, schedule 40/ 100'	\$ 7500.00	PER 100'
68. Quad-Duct schedule 40 installed in open trench by dug by others	\$ 2500.00	PER 100'
69. Bore 1.5" , schedule 40, conduit 100'	\$ 6000.00	PER 100'
70. Bore 3.0" , schedule 40, conduit 100'	\$ 6500.00	PER 100'
71. Bore- colored quad-duct, schedule 40, 100'	\$ 7500.00	PER 100'
72. 70-watt HPS lamp	\$ 17.00	PER EACH

73. 100-watt HPS lamp	\$ 17.00	PER EACH
74. Tape Shield	\$ 80.00	PER EACH
75. Flat Lens	\$ 80.00	PER EACH
76. Leotek 20F LED fixture (furnish and install)	\$	PER EACH
77. Leotek 30F LED fixture (furnish and install)	\$	PER EACH
78. Leotek 40F LED fixture (furnish and install)	\$	PER EACH
79. Leotek 60F LED fixture (furnish and install)	\$	PER EACH
80. Leotek 80F LED fixture (furnish and install)	\$	PER EACH
81. Leotek 100F LED fixture (furnish and install)	\$	PER EACH
82. Leotek 120F LED fixture (furnish and install)	\$	PER EACH
82a. Leotek LED fixture - site specific (furnish and install)	\$ <u>market price¹</u>	PER EACH
83. King Luminaire LED Decorative Fixture (furnish and Install)	\$ <u>market price¹</u>	PER EACH
84. New Signal Turn On Support	\$ 175.00	PER HOUR
85. Furnish and Install Anti-Theft Pull Box Lid	\$ 475.00	PER EACH
86. Tape Programmed Visibility Head Kit	\$	PER EACH
87. Furnish and install streetlight photoelectric cells	\$ 85.00	PER EACH

*Due to varying vendor market price fluctuations, cost(s) will be based on current market price plus labor

*All vendor documentation and/or invoicing shall be forwarded to the City upon request

¹ Item will be paid based on the current market price plus labor. All vendor documentation and/or invoicing shall be provided to the City upon request.

ATTACHMENT C-2 – DETAILED DESCRIPTION OF WORK ITEMS

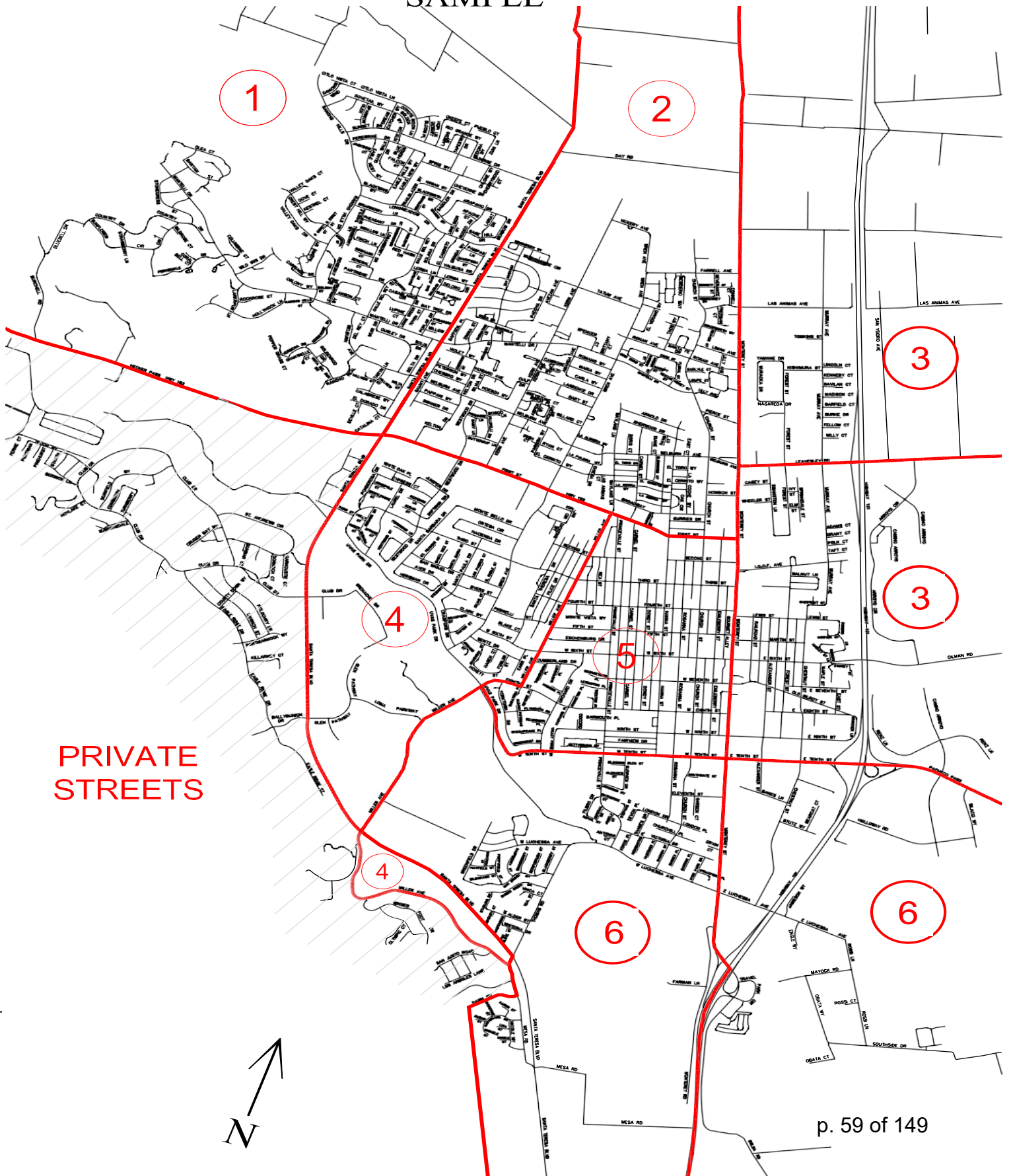
UNSCHEDULED MAINTENANCE ITEMS

ITEM	DESCRIPTION
1-9	Supply equipment as required. Cost shall be given on a per hour basis.
10-23	Supply labor as required. Cost shall be given on a per hour basis, except as noted.
24-35	Supply material and complete work per most recent edition of Caltrans Standard Plans and Specifications. Costs provided should be on a per unit basis.
36-45	Supply material only. Installation shall be given on a per hour basis.
46-49	Supply material and complete Pull Box installation per most recent edition of Caltrans Standard Plans and Specifications.
50	Supply material and complete installation per most recent edition of Caltrans Standard Plans and Specifications.
51	Supply labor as required. Material is not included in this price. Cost shall be given on a unit basis.
51-52	Supply material and install Telco Pedestal installation per most recent edition of Caltrans Standard Plans and Specifications.
53-55	Supply and install pedestrian signal indications, ballasts, and transformers as they become inoperative or defective. Pedestrian indications shall be per most recent edition of Caltrans Standard Plans and Specifications.
56	Supply material and complete loop installation per most recent edition of Caltrans Standard Plans and Specifications.
57-58	Supply material and complete video detection installation per draft Caltrans Standard Specifications or most recent edition of Caltrans Standard Plans and Specifications.
59	Supply material as needed per job.
60	Supply material and complete IISNS Repair per most recent edition of Caltrans Standard Plans and Specifications.
61	Supply material and complete painting per most recent edition of Caltrans Standard Plans and

Specifications.

62-64	Supply material and complete underground cable installation in existing conduit per most recent edition of Caltrans Standard Plans and Specifications.
65-68	Supply material and complete trenching conduit installation per most recent edition of Caltrans Standard Plans and Specifications.
69-71	Supply material and complete boring conduit installation per most recent edition of Caltrans Standard Plans and Specifications.
72-73	Supply material as needed per job.
73-82 74-83	Supply and install material
83	Supply enough labor to use up one full can of paint
84	Provide full Traffic Signal Turn on Support
85- 86 87	Furnish and Install

CITY OF GILROY STREET LIGHT NIGHT CHECK ZONES SAMPLE



Gilroy Night Check Schedule

Zone	Work Month	Zone	Work Month	Zone	Work Month
1	July 2024	1	July 2025	1	July 2026
2	August 2024	2	August 2025	2	August 2026
3	September 2024	3	September 2025	3	September 2026
4	October 2024	4	October 2025	4	October 2026
5	November 2024	5	November 2025	5	November 2026
6	December 2024	6	December 2025	6	December 2026
1	January 2025	1	January 2026	1	January 2027
2	February 2025	2	February 2026	2	February 2027
3	March 2025	3	March 2026	3	March 2027
4	April 2025	4	April 2026	4	April 2027
5	May 2025	5	May 2026	5	May 2027
6	June 2025	6	June 2026	6	June 2027

Night Check Report to include:

Date, Time, Tech performing night check

Pole location/address, pole #

Nature of malfunction

Description of repair or follow up if applicable



CERTIFICATE OF LIABILITY INSURANCE

7.1
DATE (MM/DD/YYYY)

10/11/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Newfront Insurance Services 1435 N McDowell Blvd Ste 320 Petaluma, CA 94954 WWW.TheABDteam.com	CONTACT NAME: Cert Request PHONE (A/C, No, Ext): 650-488-8565 E-MAIL ADDRESS: TechCertRequest@Newfront.com FAX (A/C, No): INSURER(S) AFFORDING COVERAGE INSURER A: Clear Blue Specialty Insurance Company INSURER B: StarStone National Insurance Company INSURER C: Allied World National Assurance Company INSURER D: State Compensation Insurance Fund INSURER E: INSURER F:	NAIC # 37745 25496 10690 35076
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COVERAGES**CERTIFICATE NUMBER:** 76766115**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ \$5,000 BI & PD Deductible GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PRO-JECT ☐ LOC OTHER:	☒		AR01RS230684100	10/1/2023	10/1/2024	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY	☒		BW03-STR-2300298-00	10/1/2023	10/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$			87262V230ALI	10/1/2023	10/1/2024	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☒ Y ☐ N/A		9347140-23	10/1/2023	10/1/2024	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
C	Professional Liability			03104146	11/1/2023	11/1/2024	\$2mil Occ/\$2mil Aggregate/\$25K retention
C	Pollution Liability			03104146	11/1/2023	11/1/2024	\$1mil Occ/\$1mil Aggregate/\$5k retention

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Traffic Signal Maintenance Services in the City of Gilroy
City of Gilroy, its employees, officers, officials and volunteers is named as additional insured as respects general liability and automobile liability per endorsements attached.

CERTIFICATE HOLDER

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020-6141

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Rod Sockolov

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ACORD 25 (2016/03)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Blanket where required by written contract signed by both parties and the contract is executed prior to any loss	Any location where required by written contract signed by both parties and the contract is executed prior to any loss
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

- C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: Cal-West Lighting & Signal Maintenance

Endorsement Effective Date: 10/01/2023

SCHEDULE

Name Of Person(s) Or Organization(s):

Any and all jobs/projects of the insured, where any person or organization for whom you and such person or organization have agreed in writing, in a contract or agreement, that such person or organization be added as an additional insured on your policy, and executed prior to a claim.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph **A.1.** of Section **II** – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph **D.2.** of Section **I** – Covered Autos Coverages of the Auto Dealers Coverage Form.



City of Gilroy

STAFF REPORT

Agenda Item Title:

Adopt a Resolution of the City Council of the City of Gilroy Calling and Giving Notice of, on Its Own Motion, the Submission to the Electors of the City of Gilroy at a Special Municipal Election, to be Consolidated with the Statewide General Election on November 5, 2024, a Ballot Measure Proposal to Add a 0.25% Dedicated Public Safety Special Transactions and Use Tax

Meeting Date:

June 17, 2024

From:

Jimmy Forbis, City Administrator

Department:

Administration

Submitted By:

Jimmy Forbis, City Administrator

Prepared By:

Jimmy Forbis, City Administrator

STRATEGIC PLAN GOALS

Develop a Financially Resilient Organization
Ensure Neighborhood Equity from City Services

RECOMMENDATION

Council:

- a) Discussion and consideration of a Council-sponsored, public safety dedicated special transactions and use tax for the November 5, 2024 statewide general election;
- b) Council discussion and consideration of whether to authorize the City Council or any member or members of the City Council to submit an argument in favor of the City measure on the November 5, 2024 Voter's Sample Ballot, pursuant to Elections Code Section 9282, to be incorporated in the resolution calling the election;
- c) Council discussion and consideration of whether to direct the City Clerk to transmit a copy of the measure to the City Attorney to prepare an impartial analysis, pursuant to Elections Code Section 9280;
- d) Council discussion and consideration of whether to permit rebuttal arguments and authorize the City Council or any member or members of the City Council to submit a rebuttal argument in favor of the City measure in the November 5, 2024

9.1

Adopt a Resolution of the City Council of the City of Gilroy Calling and Giving Notice of, on Its Own Motion, the Submission to the Electors of the City of Gilroy at a Special Municipal Election, to be Consolidated with the Statewide General Election on November 5, 2024, a Ballot Measure Proposal to Add a 0.25% Dedicated Public Safety Special Transaction and Use Tax

Voter's Sample Ballot, pursuant to Elections Code Section 9285, to be incorporated in the resolution calling the election;

- e) If Council wishes to proceed with the public safety dedicated special transactions and use tax, adopt with any modifications as may be directed by Council a resolution of the City Council of the City of Gilroy calling and giving notice of, on its own motion, the submission to the electors of the City of Gilroy at a special municipal election, to be consolidated with the statewide general election on November 5, 2024, a ballot measure proposal to add a 0.25% dedicated public safety special transactions and use tax; and
- f) Council review and provide direction regarding the draft Public Safety Special Transactions and Use Tax Implementation Plan.

EXECUTIVE SUMMARY

As the City currently has no viable funding options (other than reducing services in other departments) to increase public safety staffing and services, City staff is proposing to Council a resolution to call for a special municipal election to adopt a 0.25% special transactions and use tax that would be dedicated to funding public safety, including police and fire services and police and fire infrastructure.

If approved, staff will submit the special municipal election resolution and ballot language for inclusion in and consolidation with the November 5, 2024 general election.

BACKGROUND

Since the 2009 recession, the City's staffing levels have not returned to pre-recession levels, and to compound the issue, the City was forced to eliminate additional positions during the COVID-19 closure and financial impact. After the recession but before the pandemic, City staff conducted several comprehensive studies, some regarding staffing specifically in the Police Department and our standards of coverage plan for our Fire Department, which included staffing as part of its recommendations. Both efforts revealed a need for additional public safety staffing and infrastructure.

Public Safety (police, fire, and ambulance services combined) is not just one of the largest expenditures for cities, including the City of Gilroy, but also a crucial pillar of our community. The City's public safety services are expenditures in the City's General Fund, which receives its funds primarily from taxes and fees to a lesser amount. The General Fund is discretionary, meaning the City can use these funds for any City purpose, unlike special revenues or other funding sources with restrictions. Because of this discretionary nature, the fund has the largest demands placed upon it, and often, the needs of multiple departments and programs compete for the same General Fund dollars. The amount of available resources compared to the City's overall service needs

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Adopt a Resolution of the City Council of the City of Gilroy Calling and Giving Notice of, on Its Own Motion, the Submission to the Electors of the City of Gilroy at a Special Municipal Election, to be Consolidated with the Statewide General Election on November 5, 2024, a Ballot Measure Proposal to Add a 0.25% Dedicated Public Safety Special Transaction and Use Tax

creates a situation where any increase in service in one area usually requires a reduction of services in another area.

At the April 8, 2024, regular City Council meeting, staff presented a report to the Council to consider placing a dedicated public safety sales tax measure on the November 5, 2024, election ballot. This measure addresses the pressing need for additional public safety resources by determining if the Gilroy community is willing to pay increased taxes for increased services. That staff report is attached. Council directed staff to proceed with the development of a measure to bring back for Council consideration.

ANALYSIS

Public Safety Needs and Funding Review

At the April 8th City Council meeting, staff presented a detailed assessment of the need and funding history related to public safety in Gilroy in a Council staff report (attached). In summary, funding for public safety has increased over the past ten fiscal years. Still, the proportion of public safety expenditures for the General Fund has decreased slightly as additional demands for services and regulatory requirements for various services have consumed other portions of the General Fund, limiting its use for public safety purposes.

With population growth, service call volume increases, and an overall demand for public safety services, the need for public safety staff and resources has significantly increased. While it is possible to reallocate funds from other programs or departments to meet this demand, such a move would inevitably lead to a reduction in service levels in other areas, a scenario that would not be acceptable to our residents. Budget reductions in departments can lead to severe impacts on service levels, and in some cases, even the elimination of entire programs and departments, which would ultimately diminish the overall services provided to city residents.

Overall, the ongoing departmental analysis identified that the Police Department needs 15 new positions and the Fire Department needs 17 new positions; an assumption that is based on previous, independently determined staffing studies that were later adjusted for population growth since the timeframe the study was conducted, and a current assessment of staffing needed for adequate fire service coverage, respectively. This assessment identifies the current need, but the needs will only continue to increase as the community grows. In addition to direct service provision, the need for additional facilities and infrastructure to house and deliver these services will also expand, requiring more funding to develop, construct, and maintain essential public safety facilities to deliver the critical life and health protection services that the City's public safety departments provide. To add the necessary 32 public safety positions, the

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General Fund must identify approximately \$5-\$6 million annually in reallocated revenue, or approximately 10% of the current general fund would need to be reallocated from other services.

Ballot Measure

California state law requires a two-thirds vote of the qualified voters of the city voting in an election on the issue for approval of tax measures with revenue legally dedicated to a specific purpose (special tax). In addition, under Article XIII C, Section 2(b) of the California Constitution, increases in general taxes must be submitted to the voters at a regularly scheduled general election, except in cases of emergency declared by a unanimous vote of the City Council.

As explained in more detail below, local transactions and use tax (sometimes referred to as a sales tax) are paid by purchasers of retail taxable goods from businesses located in Gilroy. Thus, transactions and use tax is imposed on purchasers of goods, whether Gilroy residents or not. In this way, the tax burden is not imposed exclusively on Gilroy residents. Local transactions and use tax measures have enjoyed recent popularity because the cost increment is low, and it is not a property-based tax. Out-of-town visitors share in the cost, and the transactions and use tax is not applied to groceries or prescription medication.

Ballot Measure Language

The attached resolution proposes to place an enabling ordinance on the November 5, 2024, ballot to add a local special transactions and use tax dedicated to public safety (police, fire, and ambulance services and public safety-related infrastructure) on an ongoing basis, at the rate of one-quarter (1/4) cent.

Procedurally, in order to place this measure on the November 5, 2024 ballot, the City Council must adopt a resolution to seek voter approval of the ordinance establishing the transactions and use tax at the November 5, 2024 election.

The question to be placed before the voters is:

“To generate funding that cannot be seized by the State, but stays in Gilroy and is dedicated to public safety (police, fire and ambulance) services and public safety infrastructure projects, shall Gilroy enact a quarter-cent transactions and use tax; and include a citizen oversight committee and annual audits for the tax?”

Because the proposed measure makes clear that the revenue is restricted to be used only for public safety services, it is a special tax. It will require the approval of a two-thirds vote of the qualified voters of the city voting in an election on this issue.

Additionally, the ordinance requires the formation of a seven-member committee to review and report on the receipt of revenue and expenditure of funds from the tax authorized by this chapter. The committee members shall be Gilroy residents and selected by the City Council membership with terms running concurrent to the appointment of Council Members, with any new Council Members appointing a new resident. The committee's report and recommendations shall be completed by a pre-determined date to allow it to be considered part of the annual budget process. The committee's report and recommendations shall be a matter of public record and shall be considered by the City Council at a public meeting.

Sales Tax Ordinance Content

The Ordinance that would effectuate the transactions and use tax establishes the following major points:

- Limitations on use of proceeds. The ordinance establishes that the funds may only be used for public safety services, equipment and infrastructure. These are defined in 12 classifications under three sections: Police, Fire and Public Safety Infrastructure. The classifications may be found in subsection 22.45(a). The classifications are copied below for easier reference:

22.45 Permissible uses: Implementation Plan.

- (a) The revenues of the tax shall only be used to fund the following uses and purposes. Funding with tax revenues of all other uses and purposes, except as provided in subsections (c) through (e) of this section, is prohibited.
1. Law Enforcement, Police and Public Safety.
 - i. Law enforcement and police patrol services;
 - ii. Police traffic safety and enforcement services;
 - iii. Gang enforcement, school resource services, and violence reduction;
 - iv. Police support services, including equipment and the financing thereof;
 - v. Mental health response teams, services and resources.
 2. Firefighting, Paramedics, Wildfire Risk Reduction and Public Safety.
 - i. Maintain firefighter and paramedic staffing levels to maintain rapid 9-1-1 emergency response times;
 - ii. Hire additional firefighters and paramedics to staff fire stations;
 - iii. Establishment of additional paramedic units within the Fire Department, including advanced life support paramedic teams;
 - iv. Purchase of specialized equipment for Fire Department use and the financing thereof;

- v. Programs and services to reduce wildfire risk, including early fire alerts, evacuation planning, defensible space inspections and vegetation management;
 - vi. Mental health response teams, services and resources.
- 3. Public Safety Infrastructure.
 - i. Maintain, enhance, construct, and/or relocate fire and/or police stations and facilities (including, but not limited to, land acquisition, facilities design, and use of temporary facilities) and the financing thereof;
- Implementation Plan. The ordinance establishes the development and adoption by Council resolution of an implementation plan, which outlines the allocation amounts between the three above categories. The implementation plan is reviewed by an oversight committee, which issues a recommendation to the City Council. The City Council ultimately adopts the allocation plan. The allocation plan cannot authorize funding outside of the public safety purposes provided in the ordinance.
- Non-Supplanting of Existing Funding. The revenue from the potential transactions and use tax shall not supplant the ongoing General Fund appropriations for Police and Fire at the amount adopted for Fiscal Year 2024-25, unless a finding that a financial crisis or catastrophic disaster has occurred, which any reduction of the amount of General Fund appropriations below that level may only be approved by a two-thirds vote of the City Council.
- Tax rate. The ordinance establishes the tax rate at 0.25%. This is applied on most goods, but the ordinance includes exemptions as listed in State Law, as well as a few specified exemptions.
- Operative date and state contracts. The operative date for the tax to be applied, if approved, is April of 2025. The ordinance outlines that two agreements with the California Department of Tax and Fee Administration must be effectuated to collect and administer the tax. Should the timeframe for these agreements to be put into place extend beyond the April 1, 2025 operative date, the tax will not become operative until the agreements are completed.
- Oversight committee, auditing and reporting. The ordinance provides that by the end of each fiscal year, the City's independent auditors shall complete a report reviewing the collection, management and expenditure of revenue from the tax.

Additionally, the ordinance requires the formation of a seven-member committee to review and report on the receipt of revenue and expenditure of funds from the tax authorized by this chapter. The committee members shall be Gilroy residents and selected by the City Council membership, with committee member terms running concurrent to each Council Member's election/appointment date. The

committee's report and recommendations shall be completed by a date that allows it to be considered part of the annual budget process. The committee's report and recommendations shall be a matter of public record and be considered by the City Council at a public meeting.

ANALYSIS OF TRANSACTIONS AND USE TAX

Although sometimes referred to as a "local sales tax", this revenue source is formally known as a "transactions and use tax" in State law. A transaction and use tax is imposed on the same goods and merchandise as a sales tax; however, a sales tax (formally known in State law as a Bradley-Burns sales and use tax) is allocated to the jurisdiction where the sale is negotiated or the order for the sale is taken. A transactions and use tax, on the other hand, is allocated to the City where the goods are delivered or placed into use.

For example, merchandise purchased in a "walk-in" retail store is assumed by the State to be used within the city in which the store is located, unless the retailer is asked to ship the merchandise outside the city as part of the sale or it is a motor vehicle that can be driven away. For sales contracts that require shipment of merchandise, the local sales tax (transactions and use tax) is levied for the city to where the merchandise is shipped. A similar situation exists with vehicles that require registration: the local sales tax (transactions and use tax) of the city in which the vehicle is registered applies, regardless of where it was purchased.

Operative Date and State Contracts

Should a local transactions and use tax measure passes, Gilroy will enter into two contracts with the State of California Department of Tax and Fee Administration ("CDTFA"), with all revenue remitted to the City minus the State's administration fee. The first contract will set up the tax and the second contract will be established for ongoing administration. Pursuant to the ballot measure if approved by the voters on November 5, 2024, as of April 1, 2025, such tax shall be imposed at a rate of 0.25%.

STAFF RECOMMENDATION ON SALES TAX MEASURE APPROACH

City staff identified that a transactions and use tax measure is the best approach for local voter support to fund public safety services.

Participant Diversity

Transactions and use tax is paid on a wide variety of goods, excluding (primarily) groceries and medicine. It is therefore a highly diversified source of revenue. A transactions and use tax would be paid by a wide variety of individuals, including residents, local businesses, and workers in the City, and individuals from outside the City who purchase taxable goods in the City. Transactions and use taxes on motor vehicle purchases would be paid only by individuals registering the vehicle in Gilroy, regardless of where the vehicle was purchased. The transactions and use tax would be paid by the highest number of payers relative to other revenue options such as a parcel

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tax or increase in the utility user's tax, and therefore has the most participant diversity of the three options. It is estimated that approximately 50% of these transactions and use tax would be funded by non-Gilroy residents.

Impact on Low/Fixed Income Residents

A transactions and use tax increase would be paid only by purchasers of taxable goods in Gilroy. Because low income and fixed income individuals spend a larger proportion of their incomes on non-taxable goods and services, a transactions and use tax increase does not typically have a significant impact on these individuals. Further, many purchases subject to the transactions and use tax are discretionary purchases, allowing low- and fixed-income individuals to realize minimal impacts of the new tax.

Impact on the Business Community

A transactions and use tax increase would have a low impact on the business community, as the tax would be paid by purchasers of taxable goods rather than the business itself. Most office and service businesses would see little impact except for their own purchases of taxable goods in Gilroy.

Impact on the Residential Community:

A transactions and use tax would have a medium to low impact on residents. It would apply only to taxable purchases and not to mortgage, other debt payments, utilities, services, medicine and most grocery purchases, which make up the majority of resident spending. Individuals purchasing a vehicle that is registered in Gilroy would pay the increased tax, regardless of whether the vehicle was purchased in Gilroy or another city.

ELECTION PROCEDURES

Submission of Ballot Arguments

As part of the California Elections Code, Section 9282, the City Council may authorize any member(s) of the City Council to submit an argument in favor of the City's ballot measure for inclusion in the Voters Sample Ballot. The argument would be capped at 300 words in length. Arguments for or against the measure must be submitted to the Santa Clara County Registrar of Voters (ROV) by Friday, August 9, 2024. Arguments may not be signed by more than five (5) persons.

Preparation of an Impartial Analysis

As part of the California Elections Code, Section 9280, the City Council may direct the City Clerk to transmit a copy of the measure to the City Attorney for the purposes of preparing an impartial analysis. If directed, this impartial analysis would be included in the Voters Sample Ballot that is sent to registered voters in the general election. The impartial analysis of the measure would discuss the effect and operation of the measure. Any such impartial analysis must include a statement indicating that the measure was placed on the ballot by the governing body of the City since it would be

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initiated by the City. The Impartial Analysis of the measure may not to exceed 500 words in length, and must be transmitted to the ROV by Tuesday, August 20, 2024.

Rebuttal Arguments

As part of the California Elections Code, Section 9285, the City Council may authorize the City Council or any member(s) of the City Council to submit a rebuttal argument in favor of the City measure for inclusion in the Voters Sample Ballot. Any arguments filed against the measure would be transmitted to the City, and the authorized Council or member(s) of Council for rebutting the argument shall have up to 250 words in rebuttal that would be published.

Roles and Limitations During Ballot Measure Campaign Period

The City can provide educational materials to the public, informing them about the Measure. However, the City must refrain from spending any staff time, money or effort advocating the ballot measure's passage. Council members and staff can work on the campaign on their own time and at their own expense, provided it is clear that they are doing so on their own time rather than with City resources.

DISCUSSION OF RECOMMENDATIONS

Should Council determine to proceed with the proposed ballot measure, there are a few decisions that Council will need to make that would be incorporated into the resolution and are so identified in the attached draft resolution. Staff has drafted the resolution including the following direction from Council, which may be modified by the Council before adoption in case one, more, or all of the direction is not desired to be issued by Council:

- Council authorize the City Council to submit a ballot argument in favor of the measure to the ROV for inclusion in the Voters Sample Ballot;
- Council direction to the City Clerk to send to the City Attorney the measure for an impartial analysis to be created and transmitted to the ROV for inclusion in the Voters Sample Ballot; and
- Council authorize the City Council to submit a rebuttal argument in favor of the measure to the ROV for inclusion in the Voters Sample Ballot.

ALTERNATIVES

The City Council may amend or reject the resolution calling for the municipal election and the proposed ballot language. This is not recommended.

FISCAL IMPACT/FUNDING SOURCE

The Registrar of Voters estimates that the proposed public safety transactions and use tax measure will cost \$81,290 to be placed on the November 5, 2024 ballot. The final

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amount will vary depending upon the number of other measures placed on the ballot for the November election.

Should the measure pass, there will be some implementation costs with the State of California for the initial one-time set-up and ongoing administration. The set-up costs won't be known until the measure passes and a request to contract with the State is submitted. The ongoing administrative cost is estimated to be about 1.75% of the revenue and will be deducted from the revenue received quarterly.

Based on the current estimates, the additional 0.25% tax rate would generate between \$4.1 million and \$4.7 million in annual sales tax revenue. Staff utilizes a \$4.5 million estimate for this report, the allocation, and the ballot measure. The amount will vary each year based on the value of transactions subject to the proposed tax that occur each year. This amount collected would be used in addition to the Fiscal Year 2025 General Fund appropriations for police and fire, \$32.23 million and \$14.63 million respectively, a total of \$46.86 million.

PUBLIC OUTREACH

Public outreach has yet to be conducted for this item aside from the publicly posted agenda for this meeting and discussion at the April 8, 2024, City Council meeting. There are limitations on what the City can do regarding public outreach for the ballot measure if approved.

If Council approves placing the ballot measure in the upcoming election, staff will conduct modest educational outreach to the public within the City's legal constraints.

NEXT STEPS

If the City Council approves this item, staff will place the approved language on the November 5, 2024 general election ballot. Additional steps, including the City Attorney's impartial analysis and the City's arguments for the ballot measure, would then be undertaken shortly after Council approval of any ballot measure.

Attachments:

1. Resolution Calling for the Election.
2. Exhibit A: Draft Public Safety Special Transactions and Use Tax Ordinance.
3. Draft Public Safety Special Transactions and Use Tax Implementation Plan.
4. April 8, 2024 Council Meeting Public Safety Tax Staff Report.

RESOLUTION NO. 2024-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY CALLING AND GIVING NOTICE OF, ON ITS OWN MOTION, THE SUBMISSION TO THE ELECTORS OF THE CITY OF GILROY AT A SPECIAL MUNICIPAL ELECTION, TO BE CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION ON NOVEMBER 5, 2024, A BALLOT MEASURE PROPOSAL TO ADD ARTICLE V TO CHAPTER 22 OF THE GILROY CITY CODE TO IMPOSE A PUBLIC SAFETY SPECIAL TRANSACTIONS AND USE TAX

WHEREAS, a General election on Tuesday, November 5, 2024, has been called by Resolution No. 2024-21, adopted on Monday, May 20, 2024; and

WHEREAS, Revenue and Taxation Code Section 7285.91 authorizes the City, subject to approval by a two-thirds vote of the qualified voters of the City voting in an election on the issue, to levy a transactions and use tax pursuant to the Transactions and Use Tax Law at a rate of 0.125% or any multiple thereof; and

WHEREAS, the City Council of the City of Gilroy desires to submit to the voters a proposed special transactions and use tax dedicated to fund public safety services and public safety infrastructure, and to place the measure on the ballot for the next General Election on November 5, 2024; and

WHEREAS, the City Council is authorized and directed by statute to submit the proposed tax measure to the voters.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Gilroy that:

Section 1. A Special Municipal Election is hereby called and ordered to be held in the City of Gilroy on November 5, 2024 to vote on a ballot measure to add Article V, Sections 22.33 through and including 22.48 to the Gilroy City Code to levy a 0.25% special transactions and use tax dedicated and restricted to raise revenue for and fund public safety (police, fire, and ambulance) services and public safety infrastructure, which shall be deemed ratified, pursuant to Government Code Section 34459, if a two-thirds majority of the electors voting on the measure vote to approve the measure. The full text of the proposed article is attached as Exhibit A and incorporated herein by reference in this Resolution.

Section 2. The ballot measure will be placed on the ballot for the November 5, 2024 election which shall be substantially in the following form:

MEASURE _____

Public Safety Special Transactions and Use Tax

To generate funding that cannot be seized by the State, but stays in Gilroy and is dedicated to public safety (police, fire and ambulance) services and public safety infrastructure projects, shall Gilroy enact a quarter-cent transactions and use tax; and include a citizen oversight committee and annual audits for the tax?	YES
	NO

Section 3. That the vote requirement for the measure to pass is a two-thirds vote of the qualified voters of the city voting in an election on the issue pursuant to Revenue and Taxation Code Section 7285.91.

Section 4. The City Council hereby requests the Board of Supervisors of the County of Santa Clara, California to permit the Registrar of Voters of Santa Clara County to render to the City of Gilroy such services as the City Clerk of the City of Gilroy may request relating to the conduct of the above-described Special Municipal Election with respect to the following matters:

Coordination of election precincts, polling places, voting booths, voting systems and election officers; printing and mailing of voter pamphlets; preparation of the tabulation of the results of votes cast and all other services necessary to conduct an election.

Section 5. The City Council hereby requests, consents to, and orders that the Registrar of Voters of the County of Santa Clara consolidate the Special Municipal Election called and ordered to be held on November 5, 2024 with any other election that may be held on that date.

Section 6. The City Council hereby authorized the Board of Supervisors of Santa Clara County, California to canvass the returns of the Special Municipal Election.

Section 7. The City Council hereby directs the City Clerk to reimburse the County of Santa Clara in full for any of the above-mentioned services which may be performed by the Registrar of Voters, upon presentation of a bill to the City, with funds already appropriated to the City Clerk for election purposes.

Section 8. The City Council hereby directs the City Clerk to take all actions necessary to facilitate the Special Municipal Election in the time frame specified herein and comply with provisions of the Elections Code of the State of California, City Charter, Ordinances, Resolutions and Policies regarding the conduct of the Special Municipal Election.

Section 9. Pursuant to Section 12111 of the California Elections Code, the City Council hereby directs the City Clerk to: (a) cause a synopsis of the proposed measure to be published at least one time not later than one week before the election in the Gilroy Dispatch, a newspaper of general circulation within the City of Gilroy; (b) consolidate the Notice of Measure to be Voted with the Notice of Election into a single notice; (c) cause copies of the full text of the proposed measure set forth in the attached Exhibit A to be printed in the Voter Information Portion of the Sample Ballot; (d) cause copies of the Sample Ballot to be mailed to each of the qualified electors of the City of Gilroy; and (e) do all other things required by law to submit the specified measure above to the electors of the City of Gilroy at the Special Municipal Election, including causing the full text of the proposed measure to be made available in the Office of the City Clerk at no cost and posted on the City Clerk's website.

Section 10. Pursuant to Sections 9282 and 9285 of the California Elections Code, the City Council hereby approves the submittal of direct arguments for and against the ballot measure, if any, [and authorizes the City Council or any member or members of the Council to author and submit a ballot measure argument in favor of the ballot measure] [but determines that rebuttal arguments will not be allowed] **OR** [and approves the submittal of rebuttal arguments in response to arguments for and against the ballot measure and authorizes the City Council or any member or members of the City Council to author and submit a rebuttal, if any.]

Section 11. The City Council hereby directs the City Clerk to transmit a copy of the measure qualifying for placement on the ballot to the City Attorney for preparation of an impartial analysis.

Section 12. The City Council hereby acknowledges that the consolidated election will be held and conducted in the manner prescribed in California Elections Code Section 10418.

Section 13. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Gilroy at a regular meeting duly held on the 17th day of June, 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

EXHIBIT A**ORDINANCE NO. 2024-XX****AN ORDINANCE OF THE PEOPLE OF THE CITY OF GILROY ADDING ARTICLE V, SECTIONS 22.33 THROUGH AND INCLUDING 22.48 TO CHAPTER 22 OF THE GILROY CITY CODE IMPOSING A PUBLIC SAFETY SPECIAL TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION**

WHEREAS, pursuant to California Revenue and Taxation Code Section 7285.9 and 7285.91, the City of Gilroy ("City") is authorized to levy a transactions and use tax for specific and special purposes, subject to a two-thirds voter approval; and

WHEREAS, the People of the City desire to levy a transactions and use tax for the special purpose of raising revenues and funding public safety (police, fire, and ambulance) services and public safety infrastructure, at a rate of 0.25%, which is equivalent to \$0.01 for every \$4.00 spent; and

WHEREAS, if approved by the City's voters, this transactions and use tax ordinance will be incorporated into Chapter 22 of the Gilroy City Code.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF GILROY DO HEREBY ORDAIN AS FOLLOWS:

SECTION I

That Article V, Sections 22.33 through 22.48 shall be added to Chapter 22 of the Gilroy City Code to read as follows:

Article V**Public Safety Special Transactions and Use Tax****22.33 Title.**

This article shall be known as the "Public Safety Special Transactions and Use Tax." This ordinance shall be applicable in the incorporated territory of the City.

22.34 Definitions.

As used in this chapter, "City" means the City of Gilroy and "tax" means the transactions and use taxes imposed under the provisions of this chapter; "tax revenue" and "tax revenues" mean all proceeds of the tax received by the City from the California Department of Tax and Fee Administration.

22.35 Operative date.

"Operative date" means the first day that the tax is imposed and collected. The operative date shall be April 1, 2025, unless a later operative date becomes effective under the provisions of Section 22.37.

22.36 Purpose.

The ordinance codified in this chapter is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted to accomplish those purposes:

- (a) To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.91 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be effective if a two-thirds vote of the qualified voters of the city voting in an election on the issue vote to approve the imposition of the tax at an election called for that purpose.
- (b) To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- (c) To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.
- (d) To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of the ordinance codified in this chapter.

22.37 Contract with State.

Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

22.38 Transactions tax rate

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.25 percent (one-quarter of one percent) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of the ordinance codified in this chapter.

22.39 Place of sale.

For the purposes of the ordinance codified in this chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to

a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

22.40 Use tax rate.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of the ordinance codified in this chapter for storage, use or other consumption in said territory at the rate of 0.25 percent (one-quarter of one percent) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

22.41 Adoption of provisions of State law.

Except as otherwise provided in this chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this chapter as though fully set forth herein.

22.42 Limitations on adoption of State law and collection of use taxes.

- (a) Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made in Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code. In addition, the substitution shall not be made when:
1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California;
 2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of the ordinance codified in this chapter.
 3. In those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - i. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or

- ii. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that Code.
- (b) The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

22.43 Permit not required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this chapter.

22.44 Exemptions and exclusions.

- (a) There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.
- (b) There are exempted from the computation of the amount of transactions tax the gross receipts from:
 - 1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
 - 2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this section, delivery to a point outside the City shall be satisfied:
 - i. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - ii. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
 - 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of the ordinance codified in this chapter.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of the ordinance codified in this chapter.
 5. For the purposes of subsections (3) and (4) of this subsection (B), the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- (c) There are exempted from the use tax imposed by this chapter, the storage, use or other consumption in this City of tangible personal property:
1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
 2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
 3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of the ordinance codified in this chapter.
 4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of the ordinance codified in this chapter.
 5. For the purposes of subsections (3) and (4) of this subsection (C), storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
 6. Except as provided in subsection (7) of this subsection (C), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
 7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code,

aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

- (d) Any person subject to use tax under this chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

22.45 Permissible uses: Implementation Plan.

- (a) The revenues of the tax shall only be used to fund the following uses and purposes. Funding with tax revenues of all other uses and purposes, except as provided in subsections (c) through (e) of this section, is prohibited.
1. Law Enforcement, Police and Public Safety.
 - i. Law enforcement and police patrol services;
 - ii. Police traffic safety and enforcement services;
 - iii. Gang enforcement, school resource services, and violence reduction;
 - iv. Police support services, including equipment and the financing thereof;
 - v. Mental health response teams, services and resources.
 2. Firefighting, Paramedics, Wildfire Risk Reduction and Public Safety.
 - i. Maintain firefighter and paramedic staffing levels to maintain rapid 9-1-1 emergency response times;
 - ii. Hire additional firefighters and paramedics to staff fire stations;
 - iii. Establishment of additional paramedic units within the Fire Department, including advanced life support paramedic teams;
 - iv. Purchase of specialized equipment for Fire Department use and the financing thereof;
 - v. Programs and services to reduce wildfire risk, including early fire alerts, evacuation planning, defensible space inspections and vegetation management;
 - vi. Mental health response teams, services and resources.
 3. Public Safety Infrastructure.
 - i. Maintain, enhance, construct, and/or relocate fire and/or police stations and facilities (including, but not limited to, land acquisition, facilities design, and use of temporary facilities) and the financing thereof.
- (b) The Council, by resolution, shall approve, and may from time to time amend, a transaction and use tax implementation plan which shall outline the allocation percentages between police, fire and public safety infrastructure appropriations to which the tax revenues will be applied.
- (c) The tax revenues shall be used to enhance police and fire uses and purposes as outlined in subsection (a) and detailed in the transactions and use tax implementation plan. Funding of the implementation plan may not be below the

actual revenues received from the tax nor shall tax revenues be used to replace previously budgeted funds unless approved by the City Council based on a finding of fiscal crisis or catastrophic disaster. Tax revenues will not be used to supplant the general fund obligations to fund baseline services based upon population and economic conditions, except as provided in subsection (d) below.

- (d) For the duration of the tax, annual funding of the Police Department, Fire Department and public safety programs' purposes may not be a lower amount of City general fund expenditures than was funded under the City's 2024-2025 fiscal year general fund budget, as adopted on June 5, 2023, unless a lower level of funding is first approved by the affirmative vote of a 2/3 majority of Council members.
- (e) The Council, by resolution, shall establish a seven member Citizen Oversight Committee to annually review expenditures and appropriations of the tax revenues to ensure that all such revenues are spent or appropriated for the purposes and uses set forth in subsection (a), in accordance with the approved implementation plan as described in subsection (b), and, as specifically authorized, in subsections (c) and (d). Each member of the Council shall appoint one member of the Committee who shall have a term coinciding with the term of the appointing Council member. Each Committee member shall be a resident of the City at the time of appointment and shall remain a resident of the City while serving on the Committee. The Mayor shall appoint the chairperson of the Committee subject to the approval of the majority of the Council. The Committee shall receive the assistance of City staff and shall:
 - 1. Issue an annual public report on the expenditures and appropriations of the tax revenues;
 - 2. Make recommendations for the City Council to consider regarding the implementation plan; and
 - 3. Undertake such additional duties as the Council may designate not inconsistent with the purposes identified in this chapter.

22.46 Amendments.

All amendments subsequent to the effective date of the ordinance codified in this chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this chapter, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this chapter.

22.47 Enjoining collection forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this chapter, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

22.48 Severability.

If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the remainder of the chapter and the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION II

This ordinance, following its adoption by at least five (5) affirmative votes of the Council and its publication, shall become effective upon the approval of the tax imposed hereunder by two-thirds of the voters of the City voting thereon at an election called for that purpose. The “operative date” of the tax imposed hereunder shall be as provided in section 22.35.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF GILROY
this **X** day of **MONTH**, 2024 by the following 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

Public Safety Special Transactions and Use Tax Implementation Plan



Adopted: December 9, 2024

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Introduction

On November 5, 2024, the voters of the City of Gilroy ("City") approved a one-quarter cent sales tax to supplement funding for public safety services in the City. The tax is codified as Gilroy City Code ("GCC") Chapter 22, Article V, titled "Public Safety Special Transactions and Use Tax" ("Public Safety Tax"). As part of the voter-approved ballot measure, and pursuant to GCC section 22.45, "Permissible uses: Implementation Plan," the City is required to prepare and establish an Implementation Plan for the expenditure of tax proceeds. This Implementation Plan provides a background on the Public Safety Tax and guidance for the spending of tax proceeds as authorized by the voters. This Implementation Plan follows and advances the purpose for the Public Safety Tax by only funding expenditures related to public safety services.

Background

On November 5, 2024, the voters of the City approved the Public Safety Tax as a special tax of the City. The ballot measure was approved by more than two-thirds of City voters. The Public Safety Tax imposed a one-quarter sales tax upon all retailers in the City for the sale of all tangible personal property sold at retail in the City. This tax was designed to supplement public safety funding.

Administration, Oversight, and Implementation

Term of Plan

This Implementation Plan will continue in force for the duration of the Public Safety Tax levied within the City, starting in April 2025, and continuing in perpetuity unless repealed by the voters. The Implementation Plan as written in this first edition will consist of a broad allocation by percentage between the three categories of funding, Infrastructure, Police and Fire expenditures. As experience is gathered using the Public Safety Sales Tax proceeds and ongoing costs are funded by the proceeds, the plan may be modified to be of varying levels of specificity. Each edition of the plan as amended will then be in effect until the next amendment is adopted by the City Council.

Restrictions on Use of Funds

Pursuant to GCC section 22.45, all proceeds of the Public Safety Tax shall be accounted for and designated for use by the City only for the public safety services set forth in the GCC subsection 22.45(a) and this Implementation Plan. This Implementation Plan may be amended from time to time by a majority vote of the City Council, so long as the funds are utilized for public safety services and infrastructure. The Citizen's Oversight Committee for the Public Safety Tax may consider and render recommendations for amendments to this Implementation Plan, but the Implementation Plan may only be amended by the City Council at its discretion, within the confines of the Public Safety Tax permissible uses.

No revenues collected pursuant to the Public Safety Tax may be used to replace previous General Fund expenditures on Police and Fire department operating expenses at budgeted levels for Fiscal Year 2024-25 as adopted on June 5, 2023. The General Fund amounts adopted for Fiscal Year 2025 for the two departments are detailed below:

Police	\$32,233,821
Fire	\$14,628,833
Total	\$46,862,654

It is the intent of the voters that revenues collected under the Public Safety Tax supplement, rather than supplant, existing City expenditures for public safety. There is an allowance for certain exceptions to this, as detailed in the ordinance.

Citizens' Oversight

GCC subsection 22.45(e) established a Citizens' Oversight Committee to monitor the expenditures of revenue collected pursuant to the Public Safety Tax and report to the people and the City Council. Members of the Citizens' Oversight Committee are to be appointed by the City Council. The Committee consists of seven members. The Citizens' Oversight Committee members cannot be current City employees, officials, contractors, or vendors of the City. Past employees, officials, or vendors shall be eligible to serve on the Committee, if there are no conflicts of interest as determined by the City Attorney. The Citizens' Oversight Committee is charged with reviewing expenditures of revenue collected pursuant to the Public Safety Tax only to determine whether such funds are expended for the purposes specified in this Implementation Plan and issuing reports on their findings to the City Council and the public at least annually. Committee members may also review the annual financial or performance audits performed by an independent auditor.

To preserve the integrity and independence of the oversight process, Committee members will not play a formal role in contracting, project management, or any other aspect of the public safety measure funding.

The Committee is not charged with decision-making on spending priorities, schedules, project details, funding source decisions (e.g., leveraged funds, developer fees, etc.), financing plans, or tax rate assumptions. The Committee shall serve in an advisory-only role to the City Council and City Administrator and may therefore make recommendations about amendments to this implementation plan, but shall not have a role in approval of any amendments.

Fiscal Accountability

The amount generated by the Public Safety Tax and how it is used shall be included in the annual audit of the City's financial operations by an independent certified public accountant.

Amendment of the Implementation Plan

This Implementation Plan may be amended from time to time by a majority vote of the City Council, so long as the funds are utilized for public safety services as outlined in the Public Safety Tax measure.

Spending Priorities/Proposed Use of Funds

For the first budget cycle (Fiscal Years 2025-26 and 2026-27), the Public Safety Tax revenues shall be appropriated by the following percentages, for use in determining appropriations in the two fiscal years' budgets, all terms having the meaning as described in the Public Safety Tax:

- Infrastructure: Use of 25% of total proceeds;
- Police: Use of 40% of total proceeds; and
- Fire: Use of 35% of total proceeds.



City of Gilroy

STAFF REPORT

Agenda Item Title: **Consideration of a Potential Public Safety Sales Tax Ballot Measure for the November 5, 2024 Election Ballot**

Meeting Date: April 8, 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
 Maintain and Improve City Infrastructure

RECOMMENDATION

Council direction to develop a public safety sales tax ballot measure and return the proposed ballot measure to the City Council for consideration and final approval for the 2024 General Election.

BACKGROUND

Since the 2009 recession, the City's staffing levels have not returned to pre-recession levels, and to compound the issue, additional positions had to be eliminated during the COVID-19 closure and financial impact. After the recession but before the pandemic, City staff conducted several comprehensive studies, some regarding staffing specifically in the Police Department and our standards of coverage plan for our Fire Department, which included staffing as part of its recommendations. Both efforts revealed a need for additional public safety staffing and infrastructure.

Public Safety (Police and Fire services combined) is not just one of the largest expenditures for cities, including the City of Gilroy, but also a crucial pillar of our community. The City's public safety services are expenditures in the City's General Fund, which receives its funds primarily from taxes, and fees to a lesser amount. The General Fund is discretionary in nature, meaning the City can use these funds for any

City purpose, unlike special revenues or other funding sources that have restrictions. Because of this discretionary nature, it is the fund that has the largest demands placed upon it, and often needs of multiple departments and programs compete for the same General Fund dollars. This scarcity of resources compared to needs often impacts public safety as the largest service category of the City and are also the services that require the greatest amount of discretionary resources to provide.

ANALYSIS

Current and Historical Public Safety Funding

Public Safety concerns are an overarching priority for most community members in our City. Sustaining the City's public safety services has historically required the most significant amount of the General Fund each year. Public safety accounts for approximately 64% (or \$46.86 million) of the \$72.76 million adopted budget for the upcoming Fiscal Year 2025 (FY25). This share has decreased slightly compared to 10 years ago when, in FY15, public safety represented 66% (\$28.45 million out of \$43.04 million) of the General Fund budgeted expenditures that fiscal year. Even though the relative share decreased slightly, the total General Funds spent on public safety increased by 65% over the ten years.

Despite the escalating costs associated with public safety services, there exists a parallel rise in expectations, compelling our public safety departments to strive for an enhanced service delivery standard to meet our residents' evolving needs. While it's possible to reallocate funds from other programs or departments to bolster public safety resources, there's a point where diminishing returns set in. When different departments face budget reductions, it inevitably impacts service levels, and severe reductions can even lead to eliminating entire programs and departments, ultimately diminishing the overall services provided to city residents.

Current and Future Public Safety Needs

Each of the City's public safety departments conducted consultant-led comprehensive staffing studies indicating the need for additional staffing to continue providing the enhanced level of service our community has grown accustomed to. Below are tables that identify the types of positions needed for each department, along with a description of the need. The totals show the number of positions for each type recommended by the study, adjusted based on a per capita rate and increased based on the 2023 California Department of Finance population estimate for 2023. It then identifies the authorized number of positions within that type and the number needed to meet the recommended staffing levels.

Police

Position Type	Recommended Staffing Level ¹	FY25 Authorized Staffing Level ²	Additional Positions Needed
Corporal	9	8	1
Police Officer	51	46	5
CSO	5	4	1
Public Safety Communicators	20	14	6
Records	9	7	2

Overall, the Police Department still needs six sworn positions, one field support position, and eight specialized support positions, based on the study recommendations. While adjusted for population, further positions may become necessary to meet the service demands imposed by state legislation, current analysis, and anticipated future demands that will be required to align with future local and state needs.

Fire

The Fire Department has recently been subject to significant overtime due to long-term leaves and coverage needs. Additional positions are needed to help provide enough staffing capacity to fill shifts, including for the Santa Teresa Fire District (STR District). Additional resources are required to operate the fourth fire station in the STR District. The Standards of Coverage plan also identifies that Gilroy is at a stage where it should be planning, if not implementing, the operation of a fifth fire company. To fully staff the STR District and the three existing stations, 45 deployable firefighters/paramedics (FFPs) are needed. Below is a table that shows the current authorized staffing positions, the positions required to staff two additional fire companies listed beside them, and the number of additional positions needed to facilitate the deployment.

Position	Currently Authorized	Five Fire Company Deployment Staffing Required	Required Relief for Five Fire Companies	Total Positions Needed	Additional Positions Needed
Fire Captain	10	15	0	15	5
Engineer	9	15	0	15	6
Firefighter/Paramedic	21	15	12	27	6

¹ Recommended staffing levels were derived by formulating a per capita position ratio using the California Department of Finance population estimates for the year the study was completed (53,325 for patrol and 54,849 for all other unit studies, then multiplying by the estimate for 2023, 60,078).

² Recommended to authorized staffing level comparisons are categories of positions for communications and records, due to studies having defined role recommendations (i.e. training, quality assurance) whereas the authorized positions do not have those specific designations.

Position	Currently Authorized	Five Fire Company Deployment Staffing Required	Required Relief for Five Fire Companies	Total Positions Needed	Additional Positions Needed
Total Positions	40	45	12	57	17

To deploy the STR District station company and the future fifth fire station company, the Fire Department would need an additional 17 personnel, consisting of two entire fire companies. Additionally, the Fire Department will need infrastructure costs to construct the stations and funding for seismic retrofits to the existing Chestnut and Las Animas stations to better withstand earthquakes.

Vehicles and Equipment – Police and Fire

In addition to personnel, individual and corporate equipment will be required. This ranges from the personal equipment issued to each police officer and firefighter, as well as other equipment used that is shared, such as vehicles, apparatus, computers, and communications equipment, as well as specialized departmental equipment used in carrying out the duties of each. These will also require additional ongoing costs for repairs and replacement in addition to the initial purchase cost.

Potential Dedicated Funding Solution – Public Safety Sales Tax

The challenge with the competition for General Fund appropriations to meet the needs identified above is that increasing positions and ongoing costs are complex and require either other departments not receiving their needed funding for maintaining services or facing potential cuts to provide more essential services.

A separate funding source dedicated to public safety would help meet the currently identified financial needs and prevent the requirement of capping or reducing appropriations for other departments, such as parks, streets, and recreation, among others. Based on the revenue streams available to the City and their impact on Gilroy residents, a dedicated sales tax is recommended. Sales tax revenues are the largest revenue stream for the City and can generate more revenue for public safety than other funding sources.

Additionally, because our sales tax revenue has high capture, meaning that we receive a significant portion of it paid by non-residents when they spend money at our retailers, the financial impact is born, in a significant part, by those who do not live here. This is less impactful than a property-based fee, where the full revenue-generating burden would be placed fully and wholly on residents. By pursuing a sales tax, it lessens the burden.

State law limits the rate of sales tax that can be collected in addition to the State sales tax rate, which the limit is 2% above the state rate. This limit applies to all collections within a County. At this time, the local rate is 9.125%, meaning there is already 1.875% in addition to the 7.25% of the state rate being collected by other agencies that apply to the Gilroy limit but were not imposed and are not to the direct benefit of the City of Gilroy. Of the 1.875% local rate already in place, 0.125% has a special legislative

exemption and, thus, is not counted towards the 2.0% limit. This means the potential sales tax measure would be limited to 0.25% to stay within the limit.

Amount Potentially Generated by a 0.25% Public Safety Sales Tax

Based on the current estimates, the additional 0.25% tax rate would generate between \$4.1 million and \$4.7 million in annual sales tax revenue. Staff utilizes a \$4.5 million estimate for this report, the allocation, and the ballot measure.

Proposed Uses and Conditions of a Public Safety Sales Tax

Staff is proposing some structure to the sales tax measure. These include the below considerations.

Oversight Committee

The proposal would include a Citizen's Oversight Committee to review the collection and use of the dedicated sales tax revenues and ensure that the funding is used in accordance with the restrictions proposed on the ballot measure. The Oversight Committee may also recommend changes to the split in funding allocation to the City Council, as described immediately below.

Allocation of Funding

The proposal would establish a threefold allocation of funding to be received, with an initial allocation split as identified below:

- 25% Infrastructure (estimated \$1.1 million per year) - This would fund future fire and police stations, such as the Santa Teresa Fire District station or the Fifth Fire Station, as well as seismic and other retrofits for existing facilities, such as the Chestnut and Las Animas fire stations.
- 40% Police (estimated \$1.8 million per year) - this would be an allocation specific to the Police Department and would fund needs across all functions of the Department. It is important to note that the allocation does not necessarily allow for the increase in School Resource Officers (SROs), as such positions, roles, and authorities are governed by the California Education Code and must be requested by the associated school district of the school(s) being served by such a position before the City can take it up. However, all other known positions are eligible to be filled by utilizing these funds.
- 35% Fire (estimated \$1.6 million per year) would include positions, services, and supplies, similar to the Police description above.

Alternatively, there is the option to allocate the funding more in alignment with the General Fund split of public safety funding and reducing the infrastructure share.

- 20% Infrastructure (estimated \$0.9 million per year).
- 55% Police (estimated \$2.5 million per year)
- 25% Fire (estimated \$1.1 million per year).

Bonding Against Infrastructure Portion to Start Construction Projects

For the infrastructure allocation, the annual amount would require significant time to build the funds needed for the large-scale infrastructure. We have researched with the City's financial advisor, NHA, who has reported that we can bond against the special sales tax revenue for infrastructure. This would allow for the rapid availability of funding for construction instead of having to wait ten or more years to accumulate and then implement a significant construction project with these funds. Personal equipment, general and departmental equipment, and apparatus/vehicles would come from the department amounts, not from the infrastructure allocation.

Public Safety General Fund Baseline

The proposed public safety sales tax is to augment General Fund allocations toward staff, supplies, and services relating to public safety. To effectuate this intent, it is proposed that a baseline amount of the General Fund's contribution to public safety be established as part of this measure. This preserves the core of public safety funding while adding the revenue from the dedicated sales tax to enhance public safety service to the community. As the process moves towards a recommendation to place the sales tax measure on the ballot, staff will recommend that the Council consider the amount of the baseline.

Timeline

Below is a potential timeline, assuming approval of the ballot measure, and also adoption by the voters in Gilroy on November 5, 2023.

Ballot Measure Step/Process	Potential Timeline
Outreach commences on the potential ballot measure	Tuesday, April 9, 2024
Community Meeting	Monday, June 10, 2024
Recommendation for approval to place a public safety dedicated sales tax to the November 5, 2024 ballot	Monday, July 29, 2024
Backup date for approval to place the proposed sales tax on the ballot	Monday, August 5, 2024
Deadline to Submit Resolution to Registrar of Voters for Ballot Measure Argument	Friday, August 9, 2024
Primary Arguments Due	Tuesday, August 13, 2024
Last Day to Amend the Measure	Wednesday, August 14, 2024
Deadline for Rebuttal Arguments and Impartial Analyses	Tuesday, August 20, 2024
Election Day	Tuesday, November 5, 2024
Certification of Election Results	Thursday, December 5, 2024
Finalize and execute two agreements with the California Department of Tax and Fee Administration (CDTFA): one for	Commences upon certification, and proceeds at the pace of discussions between City and CDTFA

Ballot Measure Step/Process	Potential Timeline
preparation to administer and operate the tax and the other for ongoing state administration of the tax	
Earliest operative date for the Public Safety Sales Tax	April 1, 2025 (first day of first quarter after 110 days have passed since adoption)

ALTERNATIVES

The Council may direct staff to refrain from proceeding with the proposed public safety sales tax measure or modify the proposed measure's nature. Staff does not recommend ceasing the work on the measure, as it is the best potential source of funding for augmenting current police and fire services and making it possible to expand to meet future public safety service needs. Although finer details may be modified as the process of forming the tax measure proceeds, staff is recommending the essential nature of the measure as provided above be maintained for this effort.

FISCAL IMPACT/FUNDING SOURCE

The cost of a sales tax ballot measure, depending on its success, is approximately \$100,000 to \$300,000 from General Fund reserves.

City staff estimates that the proposed public safety sales tax measure will cost approximately \$100,000 to place on the November 5, 2024 ballot. This estimate is derived from the costs incurred for placing the previous charter amendment measure on the ballot. Final amounts will vary depending upon the number of other measures placed on the ballot for the November election.

Additionally, the CDTFA will have preparatory (one-time) and administrative (ongoing) costs associated with the local sales and transactions and use tax. The preparatory costs include one-time staffing and processing costs associated with notifying taxpayers in the geographical area. By law, the maximum preparatory cost is capped at \$175,000. The ongoing administrative cost is estimated to be about 1.75% of the revenue and will be deducted from the revenue received quarterly.

Staff anticipates additional, smaller costs, such as attorney fees, public postings, and other administrative costs associated with the measure, but detailed estimates are not currently available.

If approved to return with the proposed ballot measure for consideration, a more refined estimate will be provided in July.

PUBLIC OUTREACH

Previous discussions with Council regarding a potential ballot measure have been

discussed associated with fire staffing coverage and considering ways to add firefighter positions. This item was included on the publicly posted agenda for this meeting. Additional outreach will be conducted if direction is received to pursue the development of a public safety sales tax ballot measure.

NEXT STEPS

If the Council directs staff to continue developing the potential ballot measure, staff will return to the July 29, 2024, regular meeting to seek Council approval.



City of Gilroy

STAFF REPORT

Agenda Item Title: **Psychiatric Emergency Response Team (PERT)
Justice and Mental Health Collaboration Program**

Meeting Date: June 17, 2024

From: Jimmy Forbis, City Administrator

Department: Police

Submitted By: Pedro Espinoza, Police Chief

Prepared By: Pedro Espinoza, Police Chief

STRATEGIC PLAN GOALS

Ensure Neighborhood Equity from City Services

RECOMMENDATION

Receive report.

EXECUTIVE SUMMARY

This staff report evaluates the partnership between the Gilroy Police Department and the Santa Clara County Behavioral Health Services Department (BHSD) in implementing the Gilroy Police Department's Psychiatric Emergency Response Team (PERT) Program. This model aims to provide specialized response to mental health crises within the community. The report assesses the background, implementation, effectiveness, and fiscal impact of the PERT program in the context of this partnership.

BACKGROUND

The Gilroy Police Department, in collaboration with the BHSD, established the PERT program to address the increasing need for specialized intervention in mental health crises. By leveraging the expertise of law enforcement and mental health professionals, the program seeks to enhance public safety while ensuring individuals experiencing mental health crises receive appropriate care and support.

ANALYSIS

Santa Clara County's (SCC) Psychiatric Emergency Response Team (PERT) and Peer Linkage program was designed by SCC BHSD and community stakeholders as part of their Mental Health Services Act (MHSA) Innovation (INN) Plan. As designed, the SCC PERT and Peer Linkage program has two connected but distinct phases and operating teams: (1) the crisis response team (PERT), and (2) the linkage and peer support team (Peer Linkage).

Each PERT consists of a licensed mental health (MH) clinician employed by SCC BHSD and a law enforcement officer or deputy employed by a designated law enforcement agency. The PERT model uses collaboration between a clinician and officer to respond to a variety of mental health crises in the community and provide a myriad of on- and off-site services and support. PERT responses are most initiated by emergency calls for service (routed through the 911 dispatch system), referrals obtained from other officers or community members, or from incidents observed in the field during patrol. PERT law enforcement officers (LEO) and clinicians uniquely respond to PERT incidents dressed in "plain clothes" and in unmarked vehicles. The PERT Clinician will be assigned to the Gilroy Police Department's Community Engagement team, with the goal of eventually developing the PERT police officer specialized assignment. PERT primarily serves adults and older adults, but no person is turned away based on age. PERT will serve youth if a provider is not available, and the youth is in crisis or at risk.

Once on scene, the PERT LEO assesses the safety of the scene and determines what crimes, if any, have taken place. The PERT clinician then assesses the individual experiencing a mental health crisis. Following this assessment, the clinician provides crisis intervention and de-escalation services. If the individual responds well to these services and does not pose a threat to themselves or others, or is not gravely disabled, the PERT clinician will provide resources and may make one or more on-the-spot referrals based on the individual's needs. If the individual is determined to be a danger to themselves or others, or if the PERT LEO determines an arrest is necessary, the PERT LEO will transport the individual to the appropriate location (e.g., Emergency Psychiatric Services, jail).

Following the incident, the PERT develops a report detailing the encounter and resources provided to the individual, which is to be sent to the Peer Linkage team for peer specialists to provide follow-up support services. At the time of this report, the Peer Linkage component of the program was not yet operational. As a result, the PERT clinicians conduct both the crisis response and follow-up services, treatment or service connections, and support with scheduling follow-up appointments and attending services. PERT clinicians may initiate follow-up contact with PERT clients within 72 hours or longer, depending on the PERT's perceived severity of the client's final disposition and appropriateness for follow-up services.

Both PERT LEOs and clinicians receive training on the PERT model, including SCC BHSD 5150 Certification Training, Crisis Intervention Training (CIT), Suicide by Cop: Assessment and De-Escalation Training, FBI Crisis Negotiation/Hostage Negotiation Training, and Tactical and Radio Communication training, among others, and work

collaboratively to establish trust as partners. The teams also receive training in the evaluation and data collection processes and requirements described in later sections of this report. The PERTs operate on different days and times, which are tailored to their local community's need for crisis call response. PERTs spend most of their time in the field, responding to calls for service and providing follow-up support when available.

The Santa Clara County Behavioral Health Services Department has demonstrated a commitment to addressing mental health needs in south county by prioritizing the hiring of PERT clinician(s). This strategic investment underscores the importance of providing specialized mental health support in collaboration with law enforcement agencies to enhance crisis intervention and promote positive outcomes for individuals experiencing mental health crises.

Program Goals:

The intent behind the PERT and Peer Linkage program is to assist clients in need with immediate behavioral health services, de-escalate crisis situations, provide the best quality of crisis care, and connect clients to appropriate referrals, resources, and services. The overarching goals of the PERT and Peer Linkage program are to:

1. Increase access to and use of mental health services, particularly for transitional age youth, by connecting individuals to peer support services after crisis episodes to assist with their recovery.
2. Reduce stigma for clients in crisis by having law enforcement and clinicians respond to incidents in plain clothes and unmarked vehicles.
3. Promote help-seeking behavior by individuals, families, and the community.
4. Improve law enforcement officers' knowledge, attitudes, and behaviors in response to mental health issues.
5. Improve outcomes for clients using crisis services, including reduced hospitalizations and incarcerations.

By integrating the expertise of mental health professionals into law enforcement responses, the PERT program offers a holistic approach to addressing mental health crises, prioritizing individuals' well-being, and preventing further confrontations with law enforcement.

ALTERNATIVES

None - this is an informational item.

FISCAL IMPACT/FUNDING SOURCE

The fiscal impact of the PERT program partnership encompasses both direct and indirect costs, which are particularly pertinent given the fiscal challenges faced at the county level:

1. **Direct Costs:** The cost associated with PERT Program is minor at this stage. This includes expenditures related to the purchase of equipment for the clinician

(vest, workstation). The clinician is an employee of Santa Clara County and compensated accordingly.

2. **Indirect Costs:** The program generates savings by reducing the strain on emergency services, including emergency room visits, hospitalizations, and law enforcement resources diverted from non-criminal incidents.

Despite the minimal initial investment required, the potential long-term benefits of the PERT program partnership, such as improved public safety, enhanced mental health outcomes, and cost savings, justify the expenditure.

By fostering collaboration, resource sharing, and community empowerment, the program enhances public safety and promotes the well-being of individuals experiencing mental health crises. Continued support, evaluation, and resource allocation are essential to sustain and expand the program's impact in the future.

PUBLIC OUTREACH

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

NEXT STEPS

The further development and implementation of this program include the following steps:

- Develop the GPD PERT Program Policy and response Protocol.
- Participate in the DBHS Clinician selection process.
- Engage SCC in entering a PERT Program MOU (Current draft version attached).
- Clinician On-Boarding.
- Soft program roll-out.

Attachments:

1. Agreement Gilroy PERT FY25

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF GILROY AND
THE COUNTY OF SANTA CLARA
REGARDING THE PSYCHIATRIC EMERGENCY RESPONSE TEAM (PERT) JUSTICE AND
MENTAL HEALTH COLLABORATION PROGRAM**

WHEREAS, the mission of the City of Gilroy (hereinafter “CITY”) is to provide quality public services, facilities, and opportunities that create, sustain, and enhance a safe, livable, and vibrant community for its diverse residents, businesses, and visitors. The CITY’s Gilroy Police Department (herein after “GPD”) is a contemporary and professional organization dedicated to maintaining community partnerships which promote a high quality of life for the city’s diverse population; and

WHEREAS, the mission of the County of Santa Clara (hereinafter “COUNTY”) is to plan for the needs of a dynamic community, provide quality services, and promote a healthy, safe, and prosperous community for all; and

WHEREAS, COUNTY and CITY seek to collaborate to increase public safety and reduce recidivism among high-risk people with mental illnesses and co-occurring mental illness and substance abuse through the Psychiatric Emergency Response Team Justice and Mental Health Collaboration Program (or “PERT Program”); and

WHEREAS, the partners listed above have agreed to enter into a collaborative agreement in which CITY and COUNTY Behavioral Health Services Department (BHSD) will be partners on this collaborative effort to combine the unique resources, skills, experience, and training of personnel from two (2) different professions (law enforcement and mental health services) to provide the best possible response to situations involving persons with mental illness; and

WHEREAS, the partners herein desire to enter into a Memorandum of Understanding (MOU) setting forth the roles, responsibilities, and services to be provided by the PERT Program; and

WHEREAS, the agencies recognize the need for cross-system collaboration to improve responses and outcomes for individuals with mental illnesses and substance abuse who come into contact with the justice system; and

WHEREAS, the partners recognize the need to increase public safety and to provide rapid intervention to a person in mental health crisis by de-escalating the situation and helping to stabilize the person in the least restrictive way possible, and then striving to get that person the help they need; always with the safety of the clinician and officer being paramount; and

WHEREAS, the partners are committed to providing services to those in need regardless of their ethnicity, gender, gender identity, sexual orientation, origin, religious or political beliefs, and/or creed.

NOW, THEREFORE, it is hereby agreed by and between the partners as follows:

ARTICLE 1 TERM; EXTENSIONS; TERMINATION

1.1 Term. The initial term of this Memorandum of Understanding (MOU) is from the date the MOU is executed to 6/30/2026.

1.2 Extension. This MOU may be extended beyond the initial term of the MOU if funds are available from the Mental Health Services Act and upon a written amendment of this MOU signed by both Parties. Extension of this MOU shall be contingent on COUNTY's review of the use, need, and value of the PERT Program and budget to ensure that the COUNTY's Behavioral Health Services Department (herein after "BHSD") PERT clinician(s) can be continued for each successive term.

1.3 Termination without Cause. Any Party may terminate this MOU without cause by providing sixty (60) day written notice.

ARTICLE 2 SCOPE OF SERVICES

2.1 COUNTY shall provide the following for the County funded clinician for the PERT Program:

- a. Participate in proactive responses for high-risk individuals with mental illness in conjunction with the GPD officer(s) assigned to the PERT Program.
- b. Develop and modify protocols for PERT Program response and information sharing policies and procedures as necessary.
- c. Identify a BHSD PERT clinician to work with the GPD PERT officer(s) to perform the following tasks:
 - 1) Conduct mental health evaluations and assessments of individuals, including crisis screening, for persons with serious mental illnesses including clients who are frequent users of emergency psychiatrist services, dual diagnosed clients and clients who are mentally ill.
 - 2) Assist in determining the appropriate disposition supporting individuals' needs and safety.
 - 3) Consult with PERT officer regarding disposition of individuals and law enforcement issues.
 - 4) Maintain knowledge of the criteria for psychiatric disorders according to the current Diagnostic and Statistical Manual of Mental Disorders.
 - 5) Maintain knowledge of current legal and ethical issues as they relate to mental illness.
 - 6) Maintain licensing as required.
 - 7) Ensure requirements for detention and transportation pursuant to Welfare and Institutions Code (WIC) Section 5150 are met.
 - 8) Provide documentation to the PERT officer supporting the decision to detain and transport a subject pursuant to WIC Section 5150.
 - 9) Assist in coordination of transportation to mental health service centers or

facilities when such support and services would be beneficial (regardless of whether a 72-hour evaluation hold is issued), and there is cooperation from the subject.

- 10) Maintain a law enforcement security clearance.
 - 11) Conduct presentations to educate others about the mission and focus of PERT and the PERT Program.
 - 12) Provide mental health training and expertise to other Department staff.
 - 13) The PERT clinician shall not engage in law enforcement activities that are not related to the PERT mission and focus.
- d. Identify trainings that GPD law enforcement should receive to help GPD officers identify and respond to individuals with mental illnesses.
 - e. Work with GPD to identify trainings that may be provided to officers with perishable skills training to respond appropriately to incidents involving individuals with mental illness and substance abuse. Any identified courses and trainings must be certified by POST to ensure a consistent level of quality.

2.2 CITY will provide the following for the PERT Program:

- a. The GPD shall provide the following to the dedicated PERT clinician:
 - 1) A ballistic vest for the clinician to wear as needed.
 - 2) A workstation for the clinician to complete needed documentation and have access to a location where confidential communication can occur.
- b. GPD shall develop a detailed policy, procedure, process, and plan on implementing a specialized police mental health PERT Justice and Mental Health Collaboration Program.
- c. Expand training for law enforcement to identify and respond to individuals with mental illness and provide cross-training of criminal justice and mental health personnel.
- d. Establish a dedicated GPD officer(s) to work with the COUNTY BHSD PERT clinician.
- e. Assume primary responsibility for site control when responding to a crisis.
- f. Assume role of primary responder when engaged with BHSD PERT clinician.
- g. Determine whether phone consultation or on-site consultation is needed from the BHSD PERT clinician.
- h. Coordinate training exercises with BHSD PERT clinician to ensure proper collaboration when needed during a crisis.
- i. Collaborate with the BHSD PERT clinician by participating in trainings and meetings to ensure proper understanding of roles and responsibilities during crisis situations.
- j. Facilitate transportation for clients to the appropriate receiving facility when a 5150 has been placed by the BHSD PERT clinician in response to a call for service to GPD.
- k. Agree to provide review on overall effectiveness on BHSD PERT clinician deployments.
- l. Agree to provide information to BHSD PERT clinician regarding individuals who are involved in a crisis incident, when such information provides critical value to the safe resolution of those incidents.
- m. The officer will assess the situation regarding safety for the officer, the BHSD PERT clinician, the consumer, and bystanders. The officer will always provide safety on scene and evaluate the subject for any criminal behavior, as appropriate.
- n. The officer and PERT clinician will offer referrals or other assistance as the situation warrants, and if needed will assist the individual to the appropriate setting (either voluntarily or involuntarily).
- o. Modify and enhance policies, procedures, and protocols for PERT Program and information sharing process as necessary.
- p. Collaborate with BHSD clinicians to draft and submit a Monthly Program Narrative

Report to County no later than seven (7) days after the end of each month. The Quarterly Narrative Report shall include a summary of the PERT Program's performance goals, milestones achieved, and any issues/concerns encountered during the reporting period.

ARTICLE 3 MISCELLANEOUS PROVISIONS

3.1 Collaboration. CITY and COUNTY have jointly developed this MOU. All PERT Program partners are committed to working together to achieve stated project goals through monthly meetings designed to develop and implement the project as well as monitor and evaluate the project. PERT Program partners will meet informally more often and as needed.

3.2 Record Retention. CITY and COUNTY will maintain all documents and records which demonstrate performance under this MOU for a minimum period of three (3) years, from the date of termination or completion of this MOU.

3.3 Compliance with Non-Discrimination and Equal Opportunity Laws: CITY and COUNTY shall comply with all applicable Laws concerning nondiscrimination and equal opportunity in employment and contracting, including but not limited to the following: Santa Clara County's policies for contractors on nondiscrimination and equal opportunity; Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; the Age Discrimination in Employment Act of 1967; the Rehabilitation Act of 1973 (Sections 503 and 504); the Equal Pay Act of 1963; California Fair Employment and Housing Act (Gov. Code § 12900 et seq.); California Labor Code sections 1101, 1102, and 1197.5; and the Genetic Information Nondiscrimination Act of 2008. CITY and COUNTY shall not discriminate in the provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

3.4 California Public Records Act. The Parties are public agencies subject to the disclosure requirements of the California Public Records Act ("CPRA"). In the event either Party receives a CPRA request for records related to the PERT Program the Parties shall collaborate to comply with the CPRA and to prevent disclosure of exempt records, such as medical or mental health records.

3.5 Contract Execution. Unless otherwise prohibited by law or County policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the County.

3.6 Indemnification and Insurance

- a. Indemnification. In lieu of and notwithstanding the pro rata risk allocation, which might otherwise be imposed between the Parties pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by Party shall not be shared pro rata but, instead, COUNTY and CITY agree that, pursuant to Government Code Section 895.4, each of the Parties hereto shall fully indemnify and hold each of the other Parties, their officers, board members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying party, its officers, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such party under this MOU. No party, nor any officer, board member or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of the other Parties hereto, their officers, board members, employees, or agents, under or in connection with or arising out of any work authority or jurisdiction delegated to such other Parties under this MOU.
- b. Insurance. Without limiting the indemnification of either party to this Agreement, each party shall maintain or cause to be maintained throughout the term of the Agreement the following insurance coverage: (i) a policy of commercial general liability with limits of liability not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) annual aggregate; (ii) a policy of automobile liability with limits of liability not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) annual aggregate (iii) a policy of workers' compensation providing statutory coverage; and (iv) such other insurance or self-insurance as shall be necessary to insure it against any claim or claims for damages arising under the Agreement. Insurance afforded by a commercial general liability policy shall be endorsed to provide coverage to the other party of the Agreement as an additional insured. Each party to this Agreement shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. The requirements of this section may be satisfied by the provision of similar coverage through a self-insurance program.

3.7 Notices. All notices required under the terms of this MOU will be in writing and must be transmitted by electronic mail or deposited in the United States Mail, certified mail, return receipt requested, addressed to the parties as set forth below:

COUNTY OF SANTA CLARA:

Soo Jung, Director
 Cross Systems Initiatives & Housing
soo.jung@hhs.sccgov.org
 828. S. Bascom Ave., Suite 200
 Jose, CA 95128
 (408) 885-3885

CITY OF GILROY:

Jimmy Forbis, City Administrator
jimmy.forbis@cityofgilroy.org
 7351 Rosanna Street
 Gilroy CA 95020 San
 (408) 846-0250

By signing below, each agency approves the conditions set forth in this MOU as well as the submitted application and proposed project budget.

“COUNTY” County of Santa Clara

Matthew Hada
Director of Procurement

APPROVED AS TO FORM AND LEGALITY:

Megan Wheelehan
Deputy County Counsel

APPROVED:

Sherri Terao, E.d. D Date
Director
Behavioral Health Services Department

APPROVED:

Vincent DePaul Robben
Health Care Financial Manager County of
Santa Clara Health System

“CITY” City of Gilroy

Municipal Corporation and Charter City

Jimmy Forbis, _____ Date
Office of the City Administrator

**APPROVE AS TO FORM AND
LEGALITY:**

Andy Faber
City Attorney

Date

APPROVED:

Pedro Espinoza
Chief of Police

Date



City of Gilroy

STAFF REPORT

Agenda Item Title: Adopt a Resolution Setting the 2024 Fireworks Service Fee for Impacts on City Fire and Police Services Related to the Sale and Use of Safe and Sane Fireworks Pursuant to Gilroy City Code Chapter 10A

Meeting Date: June 17, 2024

From: Jimmy Forbis, City Administrator

Department: Community Development

Submitted By: Sharon Goei, Community Development Director

Prepared By: Monica Sendejas, Management Analyst
Jonathan Crick, Deputy Fire Marshal

STRATEGIC PLAN GOALS

Ensure Neighborhood Equity from City Services

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Gilroy setting the 2024 Fireworks Service Fee for impacts on City Fire and Police Services related to the sale and use of safe and sane fireworks pursuant to Gilroy City Code Chapter 10A.

EXECUTIVE SUMMARY

Pursuant to Gilroy City Code Section 10A.8(b), the Fireworks Service Fee is to be determined each year by the City's Fire and Police Chiefs and adopted by Council resolution. The Fireworks Service Fee is intended to provide funding for the City to take actions to accomplish the following:

- Augment staffing for an increase in police, fire, and emergency medical services (EMS) activity resulting from fireworks usage on July 4th.
- Public education and outreach regarding fireworks safety.

The Fireworks Service Fee is separate and different from the booth permit and application fee that the City charges for the operation of the safe and sane fireworks sales booths.

BACKGROUND

The City Code does not specify the activities the Fireworks Service Fee intends to cover or how the mitigation activity will be structured. It does state in Ordinance 2004-03 that the intent of the fee is to alleviate the financial impacts of experiencing a significant number of non-routine Fire and Police requests for services, emergency calls, and citizen complaints, all of which are related to the use of fireworks during the 4th of July celebrations. In the past, the Police and Fire Chiefs determined the required staffing and deployment including the following:

- Staffing additional dispatchers on July 4th
- Staffing additional patrol officers on July 4th
- Staffing an additional fire engine on July 4th
- Providing additional staffing to existing fire engines on July 4th
- Preparing and circulating public education materials

Gilroy City Code Section 10A.8 requires that the safe and sane fireworks vendor pay a Fireworks Service Fee to fund additional staff resources related to the use of fireworks during the July 4th period. The Fireworks Service Fee is intended to provide cost recovery for the Gilroy Fire and Police Departments' fireworks mitigation activities.

The City Code establishes a limit of up to 16 booth permits for non-profit organizations. The vendor monitors the existing organizations as well as manages any potential new applicants for a booth permit that becomes available. There are 14 fireworks booths for 2024 and safe and sane fireworks will be sold to Gilroy residents from July 1-4.

Whether the vendor recoups the fee from the potential non-profit organizations is a contractual arrangement between the vendor and the non-profit booth organizations and is not dictated by the City Code. However, the vendor typically assesses a portion of the fee to each organization.

Assembly Bill (AB) 1403 became effective on January 1, 2024, and provides new guidance regarding public safety, fireworks enforcement, and fireworks funding. AB 1403 has modified the methodology of which the Fireworks Service Fee is calculated for 2024. AB 1403 allows a city to charge a fee to help offset the actual and reasonable costs incurred by that city for the following:

- Processing and issuing permits
- Inspection of fireworks stands
- Public education and awareness campaigns on fireworks safety
- Enforcing the provisions of the City Code

- Fire operation and suppression efforts that are directly related to safe and sane fireworks

AB 1403 also states that the pro rata share of the cost may not exceed seven percent (7%) of the gross sales of the fireworks sold in the city during the applicable period. A cost recovery ordinance or resolution in effect on or before January 1, 2024, may supersede this provision.

ANALYSIS

The Fireworks Service Fee is recommended to be \$27,804.69, which will help offset the actual and reasonable costs of public safety staff overtime on July 4, 2024, and fireworks public education. The following is the cost breakdown of the fireworks mitigation activities:

Police Department	\$11,171.49
Fire Department	\$11,840.00
Fire Prevention Division and Public Education	\$4,793.20

Please refer to Exhibit A for details. As noted above, the wholesale vendor that supplies the State Certified Safe and Sane Fireworks to the non-profit organizations pays the Fireworks Service Fee.

Among the several intentions of AB 1403, which went into effect on January 1, 2024, is to control the fees that may be charged to non-profit groups. AB 1403 limits the fees that can be assessed for fireworks mitigation services. Staff recommends using the productive overtime hourly rate for 2024. Regardless of AB 1403, the staff effort is similar to prior years. For comparison, the Fireworks Service Fee averaged \$50,471.86 between 2021 and 2023, ranging from \$42,627.62 to \$56,887.32. In light of this, safe and sane fireworks will need to be re-evaluated in the future as a result of AB 1403. Further research will be conducted, and the fireworks vendor may be required to submit detailed documentation of actual retail sales of safe and sane fireworks.

The attached Resolution is to adopt the Fireworks Service Fee for implementing the 2024 fireworks mitigation plan.

ALTERNATIVES

The City Council could decide to take no action. A Fireworks Service Fee would not be established to provide funding related to the use of fireworks. The additional enforcement would not occur, or funding would be provided through the General Fund, or a combination of reduced enforcement with General Fund resources. Staff does not recommend this action.

FISCAL IMPACT/FUNDING SOURCE

The Fireworks Service Fee helps offset the actual and reasonable costs related to the extra hours worked by public safety staff on July 4, 2024, and for public educational outreach.

PUBLIC OUTREACH

If and when adopted, community engagement efforts will be undertaken to share this Fireworks Service Fee information and fireworks mitigation activities with the community between the adoption and the July 4th holiday.

NEXT STEPS

If approved, staff would implement the 2024 Fireworks Service Fee and fireworks mitigation activities.

The proposed resolution is for 2024. A more refined methodology will need to be defined for 2025 to address the recent changes associated with AB 1403.

Attachments:

1. Draft Resolution for 2024 Fireworks Service Fee
2. Exhibit A - 2024 Fireworks Service Fee Calculation

RESOLUTION NO. 2024-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY
SETTING THE ANNUAL FIREWORKS SERVICE FEE FOR IMPACTS
ON CITY FIRE AND POLICE SERVICES RELATED TO THE SALE AND
USE OF SAFE AND SANE FIREWORKS PURSUANT TO GILROY CITY
CODE CHAPTER 10A**

WHEREAS, Chapter 10A of the City of Gilroy (“City”) City Code regulates the local retail sale, use and storage of “safe and sane fireworks” as defined in 12529 of the Health and Safety Code of the State of California; and

WHEREAS, the City Fire and Police Departments each year experience a significant number of non-routine Fire and Police requests for services, emergency calls and citizen complaints, all of which are directly related to the use of fireworks during 4th of July period; and

WHEREAS, the City Council on April 5, 2004, adopted Ordinance No. 2004-03 adding section 10A.8(b) to Chapter 10A of the City Code to establish a permit fee for fireworks sales, and a fireworks service fee to alleviate the financial impacts of providing public safety services directly related to the 4th of July celebrations; and

WHEREAS, Ordinance No. 2004-03 requires that the Fireworks Service Fee be determined by the City’s Fire and Police Chiefs and adopted annually by City Council resolution; and

WHEREAS, the City Council also on April 5, 2004, adopted Resolution No. 2004-24, directing the City’s Fire and Police Chiefs to develop a fireworks mitigation strategy for the upcoming 4th of July celebrations each year, setting forth the amount of the Fireworks Service Fee to recover the anticipated costs; and

WHEREAS, the Assembly Bill 1403 went into effect on January 1, 2024 and provides guidance on public safety, fireworks enforcement and fireworks funding; and

WHEREAS, the Fireworks Service Fee is recommended to be \$27,804.69, which will help offset the actual and reasonable costs of public safety staff overtime on July 4, 2024 and fireworks public education; and

WHEREAS, the City Council on June 17, 2024 reviewed the Fireworks Service Fee for 4th of July 2024, attached hereunto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GILROY, AS FOLLOWS:

1. Based on the July 4, 2024 fireworks mitigation strategy with supporting documents (e.g. Staff Report, Mitigation Fee Calculation), the Fireworks Service Fee for 2024 has been determined to be \$27,804.69.
2. On June 17, 2024, the City Council reviewed the Fireworks Service Fee for the 4th of July 2024, and finds that the fee is a reasonable regulatory cost designed to mitigate the adverse health, safety, environmental, and/or other societal effects from the local retail sale, use, and storage of “safe and sane fireworks” as regulated by Gilroy City Code Chapter 10A and addresses items listed in AB 1403, which became effective January 1, 2024.

PASSED AND ADOPTED this 17th day of June 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 Council held on **Monday, June 17, 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 **Date**.

Beth Minor
Interim City Clerk of the City of Gilroy

(Seal)

EXHIBIT A - 2024 Fireworks Service Fee Calculation

	Productive Overtime Hourly Rate	# of Staff	# of Hours	Total
POLICE DEPARTMENT				
Police Sergeant	\$177.09	1	5.5	\$974.00
Police Corporal	\$149.49	1	5.5	\$822.20
Police Officer	\$122.43	12	5.5	\$8,080.38
Public Safety Communicator	\$117.72	2	5.5	\$1,294.92
TOTAL POLICE				\$11,171.49
FIRE DEPARTMENT				
Fire Captain	\$112.47	4	10	\$4,498.80
Fire Engineer	\$96.79	4	10	\$3,871.60
Firefighter I/II	\$86.74	4	10	\$3,469.60
TOTAL FIRE				\$11,840.00
FIRE PREVENTION DIVISION (FIRE MARSHAL'S OFFICE)				
Deputy Fire Marshal	\$172.88	1	15	\$2,593.20
Fireworks Prohibited Posters				\$600.00
Fireworks Facebook Boosts				\$300.00
Utility Bill Insert (electronic and mailed)				\$1,300.00
TOTAL FIRE PREVENTION				\$4,793.20
TOTAL FEE				\$27,804.69



City of Gilroy

STAFF REPORT

Agenda Item Title: **Approve the Third Amendment to Agreement with the City of Morgan Hill for Providing Staff Services for the Implementation of Stormwater Permitting Requirements and Environmental Services**

Meeting Date: June 17, 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

Maintain and Improve City Infrastructure

RECOMMENDATION

Approve the attached Third Amendment to the Agreement with the City of Morgan Hill to provide shared staff services to the City of Gilroy for stormwater pollution prevention compliance and environmental management services, and authorize the City Administrator to execute the Amendment and related documents.

EXECUTIVE SUMMARY

The City of Gilroy has an agreement with the City of Morgan Hill that provides shared staff services for stormwater pollution prevention compliance and environmental management services (Agreement) and is considering a third amendment to the Agreement.

The Third Amendment to the Agreement with the City of Morgan Hill offers a new staffing structure that would mainly provide the services of a three-quarter-time staff position at the Environmental Coordinator level and extend the Agreement to be effective from July 1, 2024 through June 30, 2025. The Environmental Coordinator would be shared between the two cities allowing the City of Gilroy to continue implementing the requirements of the National Pollutant Discharge Elimination System (NPDES) Stormwater Permit and aiding a future City of Gilroy Environmental Program

Manager position currently in the recruitment process. This Third Amendment to the Agreement will also come before the Morgan Hill City Council for approval on June 26, 2024.

BACKGROUND

On March 16, 2015, the City Council approved an agreement with the City of Morgan Hill to provide environmental management services relating to solid waste management, stormwater pollution prevention compliance, and other environmental protection programs. The State continues to require additional unfunded environmental mandates for the aforementioned services.

The shared staff services Agreement originally expired on June 30, 2019, and the First Amendment was approved by the City Council on June 17, 2019 to extend the Agreement term by five years through June 30, 2024. The Second Amendment was approved by the City Council on April 18, 2022, which amended Fiscal Year 2022-23 budget to appropriate an additional \$38,798 from the General Fund (100) for the Services Agreement.

The City of Gilroy reimburses the City of Morgan Hill staff time and associated overhead costs. This shared staff arrangement has resulted in efficient and effective use of resources to achieve stormwater compliance over the years. Over time, the stormwater programs in both cities of Gilroy and Morgan Hill have run into challenges that significantly increased the need for staff resources. These challenges have been primarily related to Notices of Violation, management of the Post Construction Requirement (PCR) Program which has an annually compounding workload, implementation and planning for the State's Trash Amendments, and addressing requirements of the NPDES Permit.

The recommended Third Amendment will provide staff support for the City of Gilroy for an additional year through June 30, 2025. This extension will provide a period of overlap with the future Environmental Program Manager expected to be hired in future months.

ANALYSIS

The recommended three-quarter-time Environmental Coordinator will assist with the City's stormwater compliance efforts including oversight of the PCR Inspection Program. These efforts have been growing each year and include engagement with the community, developers, and Qualified Stormwater Practitioners (QSPs), issuance of spring and fall inspection solicitation letters with QSP data requests, input of inspection data into an online pollutant reporting platform, and solicitation of follow-up reporting for PCRs that need maintenance. Other tasks to be completed by the Environmental Coordinator will include implementation of the solid waste management requirements including requirements set by SB 1383.

Continued staff augmentation and collaboration with the City of Morgan Hill team will provide the necessary support to the environmental program and to the future Environmental Program Manager. It should also be noted that a grant funded position shared 50/50 with the City of Morgan Hill will provide support in Fiscal Years 2025-26 and 2026-27.

ALTERNATIVES

The City Council may reject staff's recommendation and not authorize the City Administrator to execute the Third Amendment to Agreement. Staff does not recommend this option as it would limit the resources needed to run the stormwater and other environmental protection programs.

FISCAL IMPACT/FUNDING SOURCE

As indicated in Exhibit B of the attached Third Amendment, payments from the City of Gilroy to the City of Morgan Hill for staff services are estimated at a total amount of \$178,542 during Fiscal Year 2024-25. This is a slight decrease from the \$194,663 budgeted in the Environmental Program (100-2404) for Fiscal Year 2023-24 due to the planned reduction in the level of staff support.

There is no fiscal impact to the General Fund in Fiscal Year 2024-25 as the recommended total amount of \$178,542 will be covered with salary savings generated from vacancies in the Public Works Department in Fiscal Year 2023-24.

PUBLIC OUTREACH

There is no public outreach planned for this Third Amendment to the Agreement. Appropriate public outreach is conducted in association with the various environmental services.

NEXT STEPS

Subject to City Council Approval, the City Administrator will execute the Third Amendment to Agreement with the City of Morgan Hill for Providing Staff Services for the Implementation of Stormwater Permitting Requirements and Environmental Services.

Attachment:

1. Third Amendment to Agreement for Providing Staff Services for the Implementation of Stormwater Permitting Requirements and Environmental Services.

**THIRD AMENDMENT TO AGREEMENT
FOR PROVIDING STAFF SERVICES FOR THE IMPLEMENTATION OF STORMWATER
PERMITTING REQUIREMENTS AND ENVIRONMENTAL SERVICES TO THE CITY OF
GILROY**

This THIRD AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF GILROY, a municipal corporation ("GILROY"), and the CITY OF MORGAN HILL, a municipal corporation ("MORGAN HILL").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Third Amendment to Agreement is entered into based upon the approval of the City of Morgan Hill City Council on _____, 2024, and the City of Gilroy City Council approval on _____, 2024.
2. GILROY and MORGAN HILL entered into that "Agreement for Providing Staff Services for the Implementation of Stormwater Permitting Requirements and Environmental Services to the City of Gilroy" ("STAFF SERVICES AGREEMENT") to provide staff services on March 16, 2015.
3. GILROY and MORGAN HILL then entered into a "First Amendment to Agreement" made as of June 17, 2019, based upon the approval of the City of Morgan Hill City Council, and the City of Gilroy City Council extending the term to June 30, 2024, and increasing the reimbursable compensation under the STAFF SERVICES AGREEMENT.
4. GILROY and MORGAN HILL entered into a "Second Amendment to Agreement" made as of July 21, 2022, based upon the approval of the City of Morgan Hill City Council, and the City of Gilroy City Council, whereby the statement of costs, termination and waiver clauses were amended, and a new Exhibit A and Exhibit B incorporated. The STAFF SERVICES AGREEMENT, the First Amendment, and Second Amendment thereto are attached as Exhibit "1".
5. GILROY and MORGAN HILL have agreed to a new staffing structure that will provide the services of a three-quarter-time staff position at the temporary Environmental Coordinator level to GILROY and that GILROY will reimburse MORGAN HILL for MORGAN HILL's costs incurred to employ this position.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the STAFF SERVICES AGREEMENT, as amended and attached as Exhibit "1," shall remain in full force and effect; except that the following amendments shall be made as set forth below:
 - A. Section 2 shall be amended and replaced in its entirety by the following:

"Section 2. **TERM.**

This AGREEMENT shall become effective as of the EFFECTIVE DATE and shall terminate on **June 30, 2025**, unless this AGREEMENT is amended, or GILROY or MORGAN HILL exercises the right to terminate this AGREEMENT pursuant to Section 7 of this Agreement."

B. Section 3 shall be amended and replaced in its entirety by the following:

“Section 3. STATEMENT OF COSTS.

GILROY shall reimburse MORGAN HILL for all costs incurred by MORGAN HILL pursuant to this AGREEMENT, which may include, but are not limited to, direct costs for labor and benefits, field work supplies for use while in GILROY (e.g., PPE, boots, rain gear, inspection tools, etc.), and training and travel expenses. The terms related to staff resources to be provided by MORGAN HILL, as well as estimated costs to MORGAN HILL of the resources provided by MORGAN HILL to GILROY pursuant to this AGREEMENT are shown in EXHIBIT “A” and **REVISED EXHIBIT “B,”** respectively, which are attached hereto. Cost estimates are for budgetary purposes only and are not intended to limit the parties’ obligations under this AGREEMENT. MORGAN HILL shall use all funds paid to MORGAN HILL by GILROY pursuant to this AGREEMENT solely for providing staff services to GILROY. The contribution of GILROY to MORGAN HILL under this Agreement shall not exceed \$54,441 for FY 2014/2015; \$94,614 for FY 2015/2016; \$100,750 for FY 2016/2017; \$107,341 for FY 2017/18; \$114,423 for FY 2018/2019; \$121,854 for FY 2019/2020; \$130,036 for FY 2020/2021; \$138,835 for FY 2021/2022; \$187,097 for FY 2022/2023; \$194,663 for FY 2023/2024; and \$178, 542 for FY 2024/2025 unless MORGAN HILL has notified GILROY in writing that the estimated amounts will not be adequate to reimburse MORGAN HILL for actual costs and GILROY agrees in writing that a change in the amount is warranted.”

2. **Electronic Signatures.** Unless otherwise prohibited by law or by GILROY or MORGAN HILL policy, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by GILROY or MORGAN HILL.
3. **Conflicts.** In the event of a conflict between the terms and provisions of this Third Amendment to Agreement and the terms and provisions of the STAFF SERVICES AGREEMENT, as amended, the terms of this Third Amendment to Agreement shall govern and control.
4. **Authority to Execute.** The individuals who are signing this Third Amendment to Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Third Amendment to the Agreement.

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[Signatures on the Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the EFFECTIVE DATE first set forth above.

GILROY

APPROVED AS TO FORM:

CITY OF GILROY, a municipal corporation

Andy Faber
City Attorney

Jimmy Forbis
City Administrator

ATTEST:

Beth Minor
Interim City Clerk**MORGAN HILL**

APPROVED AS TO FORM:

Donald Larkin
City AttorneyCITY OF MORGAN HILL,
a municipal corporation

Christina Turner
City Manager

ATTEST:

Michelle Bigelow
City Clerk

REVISED EXHIBIT B
Cost Estimate

24-25

Staff (30hr/week)	\$107,640
Indirect Service Charges	\$2,153
Training	\$1,000
Cell Phone	\$0
Mileage Reimbursement	\$250
Field Work Supplies/PPE	\$400

Total Staff and Supplies	\$111,443
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Management Staff (25% FTE)	\$65,784
Indirect Service Charges	\$1,316

Total Management	\$67,100
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Total	\$178,542
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	19-20	20-21	21-22	22-23	23-24
Staff (50% FTE)	\$86,032	\$93,044	\$100,627	\$155,100	\$161,500
Indirect Service Charges	\$2,304	\$2,492	\$2,695	\$2,914	\$3,152
Training	\$500	\$500	\$500	\$1,000	\$1,000
Cell Phone	\$0	\$0	\$0	\$0	\$0
Mileage Reimbursement	\$250	\$250	\$250	\$250	\$250
Field Work Supplies/PPE				\$400	\$400
Total Half Time Staff	\$89,086	\$96,285	\$104,071	\$159,664	\$166,302
Management Staff (12% FTE)	\$31,914	\$32,871	\$33,857	\$26,500	\$27,400
Indirect Service Charges	\$854	\$880	\$906	\$933	\$961
Total Management	\$32,768	\$33,751	\$34,764	\$27,433	\$28,361
Total	\$121,854	\$130,036	\$138,835	\$187,097	\$194,663

	14-15*	15-16	16-17	17-18	18-19
Staff (50% FTE)	\$25,154	\$62,886	\$68,011	\$73,554	\$79,549
Indirect Service Charges	\$674	\$1,684	\$1,821	\$1,970	\$2,130
Training	\$200	\$500	\$500	\$500	\$500
Cell Phone	\$72	\$180	\$180	\$180	\$180
Mileage Reimbursement	\$100	\$250	\$250	\$250	\$250
Total Half Time Staff	\$26,200	\$65,500	\$70,762	\$76,454	\$82,609
Management Staff (12% FTE)	\$27,504	\$28,355	\$29,206	\$30,082	\$30,984
Indirect Service Charges	\$736	\$759	\$782	\$805	\$829
Total Management	\$28,241	\$29,114	\$29,987	\$30,887	\$31,814
Total	\$54,441	\$94,614	\$100,750	\$107,341	\$114,423

* costs for 14/15 are estimated for 40% of the fiscal year for the staff position and 100% of the fiscal year for the management position.

EXHIBIT 1**SECOND AMENDMENT TO AGREEMENT FOR PROVIDING STAFF SERVICES FOR THE IMPLEMENTATION OF STORMWATER PERMITTING REQUIREMENTS AND ENVIRONMENTAL SERVICES TO THE CITY OF GILROY**

7/21/2022 This SECOND AMENDMENT TO AGREEMENT is entered into and becomes effective on April 20, 2022 (Effective Date), by and between the CITY OF GILROY, a municipal corporation ("GILROY"), and the CITY OF MORGAN HILL, a municipal corporation ("MORGAN HILL").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Second Amendment to Agreement is entered into based upon the approval of the City of Morgan Hill City Council on April 20, 2022 and the City of Gilroy approval on April 18, 2022.
2. GILROY and MORGAN HILL entered into that Agreement to provide staff services (STAFF SERVICES AGREEMENT) on March 16, 2015.
3. GILROY and MORGAN HILL entered into a "First Amendment" on June 17, 2019, extending the length of the STAFF SERVICES AGREEMENT and adding reimbursement amounts for the extended term. The STAFF SERVICES AGREEMENT and the First Amendment thereto are attached as Exhibit "1" to this Second Amendment.
4. MORGAN HILL has hired a half time Environmental Services Technician in 2021 to provide additional help in meeting Water Board expectations for Stormwater Program compliance, and has agreed to hire a full-time Environmental Services Technician to also provide half-time Environmental Services Technician staff services to GILROY; and
5. GILROY and MORGAN HILL have agreed that MORGAN HILL will provide the services of a second half-time staff position at the Environmental Technician level to GILROY and that GILROY will reimburse MORGAN HILL for MORGAN HILL's costs incurred to employ this position and carry out this work in the amount of one-half of the actual costs to MORGAN HILL for the position.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

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

A. Section 3 shall be amended and replaced in its entirety by the following:

"Section 3. STATEMENT OF COSTS.

GILROY shall reimburse MORGAN HILL for all costs incurred by MORGAN HILL pursuant to this AGREEMENT, which may include, but are not limited to, direct costs for labor and benefits, field work supplies for use while in GILROY (e.g., PPE, boots, rain gear, inspection tools, etc.), and training and travel expenses. The terms related to staff resources to be provided by

MORGAN HILL, as well as estimated costs to MORGAN HILL of the resources provided by MORGAN HILL to GILROY pursuant to this AGREEMENT are shown in EXHIBIT "A" and EXHIBIT "B," respectively, which are attached hereto. Cost estimates are for budgetary purposes only and are not intended to limit the parties' obligations under this AGREEMENT. MORGAN HILL shall use all funds paid to MORGAN HILL by GILROY pursuant to this AGREEMENT solely for providing staff services to GILROY. The contribution of GILROY to MORGAN HILL under this Agreement shall not exceed \$54,441 for FY 2014/2015; \$94,614 for FY 2015/2016; \$100,750 for FY 2016/2017; \$107,341 for FY 2017/18; \$114,423 for FY 2018/2019; \$121,854 for FY 2019/2020; \$130,036 for FY 2020/2021; \$138,835 for FY 2021/2022; \$187,097 for FY 2022/23; and \$194,663 for FY 2023/2024 unless MORGAN HILL has notified GILROY that the estimated amounts will not be adequate to reimburse MORGAN HILL for actual costs and GILROY agrees that an increase in the amount is warranted."

B. Section 7 shall be amended and replaced in its entirety by the following:

"Section 7.0 TERMINATION

- A. MORGAN HILL or GILROY may terminate this AGREEMENT by giving notice to the other party of not less than thirty (30) days.
- B. If either party fails to perform any of its material obligations under this AGREEMENT, then, in addition to all other remedies available by law, the non-defaulting party may terminate this AGREEMENT immediately upon written notice to defaulting party.
- C. The MORGAN HILL City Manager, or their delegatee or designee, is authorized to terminate this AGREEMENT on behalf of MORGAN HILL.
- D. The GILROY City Administrator, or their delegatee or designee, is authorized to terminate this AGREEMENT on behalf of GILROY.
- E. In the event of termination, MORGAN HILL shall deliver to GILROY copies of all reports, documents, or other data generated by MORGAN HILL for or under this AGREEMENT. GILROY shall be responsible for payment to MORGAN HILL of the cost of any services properly rendered in accordance with this Agreement prior to termination within 30 days of termination."

C. Section 16 shall be amended and replaced in its entirety by the following:

"Section 16.0 WAIVER

Each party to this AGREEMENT agrees that the waiver by any party of any breach or violation of any term or condition of this AGREEMENT shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition of this AGREEMENT. The acceptance by any party of the performance of the services performed by MORGAN HILL or any other work or service under this AGREEMENT shall not be deemed to be a waiver of any term or condition of this AGREEMENT."

D. Exhibit "A" of the original agreement shall be amended and replaced in its entirety by the attached Exhibit "A".

E. Exhibit "B" of the original agreement shall be amended and replaced in its entirety by the attached Exhibit "B".

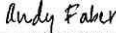
2. **Conflicts.** In the event of a conflict between the terms and provisions of this Second Amendment to Agreement and the terms and provisions of the STAFF SERVICES AGREEMENT, as amended, the terms of this Second Amendment to Agreement shall govern and control.

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

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the EFFECTIVE DATE first set forth above.

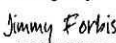
GILROY

APPROVED AS TO FORM:

DocuSigned by:


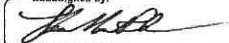
Andy Faber
City Attorney

CITY OF GILROY,
a municipal corporation

DocuSigned by:


Jimmy Forbis
City Administrator

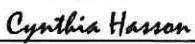
ATTEST:

DocuSigned by:


Thai Pham
City Clerk

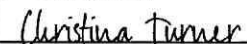
MORGAN HILL

APPROVED AS TO FORM:

DocuSigned by:


Cynthia Hasson
City Attorney

CITY OF MORGAN HILL,
a municipal corporation

DocuSigned by:


Christina Turner
City Manager

ATTEST:

DocuSigned by:


Michelle Bigelow, City Clerk

EXHIBIT A
DESCRIPTION OF STAFF RESOURCES TO BE PROVIDED AND TERMS RELATED TO
ADMINISTERING STAFF RESOURCE

The purpose of this Exhibit is to describe the work anticipated to be conducted under this AGREEMENT and the general terms relating to the employment of the staff resources (STAFF) provided under this AGREEMENT.

1. **Work Locations** - The primary office location for STAFF shall be MORGAN HILL's offices. If desired by GILROY and if GILROY provides a comfortable, productive, functioning, and professional workspace, STAFF shall work in GILROY offices and attend meetings and work directly with customers in GILROY. GILROY office setup including, but not limited to, computer equipment and programs, telephone, office supplies, business cards, and ergonomic needs shall be provided by GILROY. The scheduling of STAFF's work in GILROY can be designed to provide both regular office hours and flexibility to work in GILROY at additional times as desired. STAFF scheduling shall be arranged through the MORGAN HILL manager.
2. **Management and Supervision** - MORGAN HILL shall provide primary management and supervision of STAFF. MORGAN HILL shall communicate monthly with GILROY to ensure that STAFF is providing expected services to GILROY. Any and all disciplinary activities, if needed, shall be conducted solely by MORGAN HILL with costs thereof shared equally by GILROY. Environmental Services Technician shall be supervised and assigned tasks by the Environmental Programs Coordinator.
3. **Recruitment and Hiring** - MORGAN HILL will conduct the recruitment, administer interviews, and complete background analysis to employ STAFF, with costs thereof to be shared equally by GILROY. GILROY shall be invited to participate in the interview and selection process.
4. **General Description of Work Activities** - While it is understood that the work associated with this AGREEMENT is dynamic and may fluctuate over time depending on General Permit requirements and GILROY's interests, the following general work activities are expected to be core activities under the AGREEMENT:
 - a. Track program accomplishments and work activities to develop related reports.
 - b. Evaluate the water quality elements of development plans and provide comments to GILROY staff and development applicants.
 - c. Conduct public education and outreach activities.
 - d. Assist GILROY staff in identifying other General Permit requirements to be completed by other GILROY departments.
 - e. Update and administer the requirements of the Operation and Maintenance Program for Post Construction Stormwater Treatment Features.
5. **Management Services** - MORGAN HILL will provide management services to GILROY relating to solid waste management, stormwater pollution prevention, and environmental services. These services will include, but not be limited to, preparing annual regulatory reports recording solid waste diversion, interacting with state and local representatives on GILROY's behalf, representing GILROY at regional meetings, and responding to queries from GILROY staff on a variety of environmental programs.

**EXHIBIT B
COST ESTIMATE**

	14-15*	15-16	16-17	17-18	18-19
Staff (50% FTE)	\$25,154	\$62,886	\$68,011	\$73,554	\$79,549
Indirect Service Charges	\$674	\$1,684	\$1,821	\$1,970	\$2,130
Training	\$200	\$500	\$500	\$500	\$500
Cell Phone	\$72	\$180	\$180	\$180	\$180
Mileage Reimbursement	\$100	\$250	\$250	\$250	\$250
Total Half Time Staff	\$26,200	\$65,500	\$70,762	\$76,454	\$82,609
Management Staff (12% FTE)	\$27,504	\$28,355	\$29,206	\$30,082	\$30,984
Indirect Service Charges	\$736	\$759	\$782	\$805	\$829
Total Management	\$28,241	\$29,114	\$29,987	\$30,887	\$31,814
Total	\$54,441	\$94,614	\$100,750	\$107,341	\$114,423
	19-20	20-21	21-22	22-23	23-24
Staff (50% FTE)	\$86,032	\$93,044	\$100,627	\$155,100	\$161,500
Indirect Service Charges	\$2,304	\$2,492	\$2,695	\$2,914	\$3,152
Training	\$500	\$500	\$500	\$1,000	\$1,000
Cell Phone	\$0	\$0	\$0	\$0	\$0
Mileage Reimbursement	\$250	\$250	\$250	\$250	\$250
Field Work Supplies/PPE				\$400	\$400
Total Half Time Staff	\$89,086	\$96,285	\$104,071	\$159,664	\$166,302
Management Staff (12% FTE)	\$31,914	\$32,871	\$33,857	\$26,500	\$27,400
Indirect Service Charges	\$854	\$880	\$906	\$933	\$961
Total Management	\$32,768	\$33,751	\$34,764	\$27,433	\$28,361
Total	\$121,854	\$130,036	\$138,835	\$187,097	\$194,663

* costs for 14/15 are estimated for 40% of the fiscal year for the staff position and 100% of the fiscal year for the management position.

Exhibit 1

127-04-15-014

**FIRST AMENDMENT TO AGREEMENT FOR PROVIDING STAFF SERVICES FOR THE
IMPLEMENTATION OF STORMWATER PERMITTING REQUIREMENTS AND
ENVIRONMENTAL SERVICES TO THE CITY OF GILROY**

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on June 17, 2019 (Effective Date), by and between the CITY OF GILROY, a municipal corporation ("GILROY"), and the City of MORGAN HILL, a municipal corporation ("MORGAN HILL").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This First Amendment to Agreement is entered into based upon the approval of the City of Morgan Hill City Council on May 15, 2019 and the City of Gilroy approval on June 17, 2019.
2. GILROY AND MORGAN HILL entered into that agreement to provide staff services (STAFF SERVICES AGREEMENT) on March 16, 2015. The agreement is attached as Exhibit "1" to this First Amendment.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

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

A. Section 2 shall be amended and replaced in its entirety by the following:

"Section 2. **TERM.**

This AGREEMENT shall become effective as of the EFFECTIVE DATE and shall terminate on June 30, 2024 unless this AGREEMENT is amended or GILROY or MORGAN HILL exercises the right to terminate this AGREEMENT pursuant to Section 7 of this AGREEMENT, below."

B. Section 3 shall be amended and replaced in its entirety by the following:

"Section 3. **STATEMENT OF COSTS.**

GILROY shall reimburse MORGAN HILL for all costs incurred by MORGAN HILL pursuant to this AGREEMENT, which may include, but are not limited to, direct costs for labor and benefits and training and travel expenses. The estimated costs to MORGAN HILL of the resources provided by MORGAN HILL to GILROY pursuant to this AGREEMENT are shown in EXHIBIT "B," which is attached hereto. These estimates are for budgetary purposes only and are not intended to limit the parties' obligations under this AGREEMENT. MORGAN HILL shall use all funds paid to MORGAN HILL by GILROY pursuant to this AGREEMENT solely for providing staff services to GILROY. The contribution of GILROY to MORGAN HILL under this Agreement shall not exceed \$54,441 for FY 2014/2015; \$94,614 for FY 2015/2016; \$100,750 for FY

2016/2017; \$107,341 for FY 2017/18; \$114,423 for FY 2018/2019; \$121,854 for FY 2019/2020; \$130,036 for FY 2020/2021; \$138,835 for FY 2021/2022; \$148,299 for FY 2022/23; and \$158,480 for FY 2023/2024 unless MORGAN HILL has notified GILROY that the estimated amounts will not be adequate to reimburse MORGAN HILL for actual costs and GILROY agrees that an increase in the amount is warranted."

C. Exhibit "B" of the original agreement shall be amended and replaced in its entirety by the attached Exhibit "B".

2. **Conflicts.** In the event of a conflict between the terms and provisions of this First Amendment to Agreement and the terms and provisions of the STAFF SERVICES AGREEMENT, the terms of this First Amendment to Agreement shall govern and control.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the EFFECTIVE DATE first set forth above.

GILROY

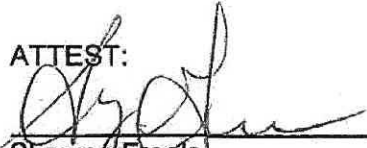
APPROVED AS TO FORM:

CITY OF GILROY, a municipal corporation


for Andy Faber
City Attorney


Gabriel Gonzalez
City Administrator

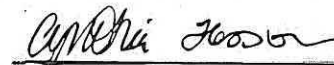
ATTEST:


for Shawna Freels
City Clerk

MORGAN HILL

APPROVED AS TO FORM:

CITY OF MORGAN HILL,
a municipal corporation


for Donald Larkin
City Attorney


Christina Turner
City Manager

**EXHIBIT B
COST ESTIMATE**

	14-15*	15-16	16-17	17-18	18-19
Staff (50% FTE)	\$25,154	\$62,886	\$68,011	\$73,554	\$79,549
Indirect Service Charges	\$674	\$1,684	\$1,821	\$1,970	\$2,130
Training	\$200	\$500	\$500	\$500	\$500
Cell Phone	\$72	\$180	\$180	\$180	\$180
Mileage Reimbursement	\$100	\$250	\$250	\$250	\$250
Total Half Time Staff	\$26,200	\$65,500	\$70,762	\$76,454	\$82,609
Management Staff (12% FTE)	\$27,504	\$28,355	\$29,206	\$30,082	\$30,984
Indirect Service Charges	\$736	\$759	\$782	\$805	\$829
Total Management	\$28,241	\$29,114	\$29,987	\$30,887	\$31,814
Total	\$54,441	\$94,614	\$100,750	\$107,341	\$114,423

	19-20	20-21	21-22	22-23	23-24
Staff (50% FTE)	\$86,032	\$93,044	\$100,627	\$108,828	\$117,697
Indirect Service Charges	\$2,304	\$2,492	\$2,695	\$2,914	\$3,152
Training	\$500	\$500	\$500	\$500	\$500
Cell Phone	\$0	\$0	\$0	\$0	\$0
Mileage Reimbursement	\$250	\$250	\$250	\$250	\$250
Total Half Time Staff	\$89,086	\$96,285	\$104,071	\$112,492	\$121,599
Management Staff (12% FTE)	\$31,914	\$32,871	\$33,857	\$34,873	\$35,919
Indirect Service Charges	\$854	\$880	\$906	\$933	\$961
Total Management	\$32,768	\$33,751	\$34,764	\$35,807	\$36,881
Total	\$121,854	\$130,036	\$138,835	\$148,299	\$158,480

* costs for 14/15 are estimated for 40% of the fiscal year for the staff position and 100% of the fiscal year for the management position

12-04-15-014

DUPLICATE
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City Clerk's Office

**AGREEMENT FOR PROVIDING STAFF SERVICES FOR THE IMPLEMENTATION
OF STORMWATER PERMITTING REQUIREMENTS AND ENVIRONMENTAL
SERVICES TO THE CITY OF GILROY**

This Agreement ("AGREEMENT") is made and entered into this 16th day of March, 2015 ("EFFECTIVE DATE"), by and between the CITY OF GILROY, a municipal corporation ("GILROY"), and the City of MORGAN HILL, a municipal corporation ("MORGAN HILL").

RECITALS

WHEREAS, MORGAN HILL and GILROY have previously adopted a Joint Regional Storm Water Management Plan (SWMP) which was accepted by the Central Coast Regional Water Quality Control Board as the implementation document for the Joint Phase II Municipal Storm Water Permit and cooperated extensively in the implementation of the SWMP; and

WHEREAS, the State Water Resources Control Board adopted General Permit No. CAS000004 (Waste discharge requirements for storm water discharges from small municipal separate storm sewer systems) (General Permit) on February 5, 2013; and

WHEREAS, the General Permit institutes significant new regulatory requirements that the cities must comply with and both MORGAN HILL and GILROY have budgeted for increased staff resources in order to comply with the General Permit's requirements; and

WHEREAS, MORGAN HILL is hiring a new staff person to implement measures to comply with the General Permit requirements and MORGAN HILL and GILROY agree that it would be most cost efficient for all parties for MORGAN HILL to share the staff person with GILROY; and

WHEREAS, GILROY and MORGAN HILL have agreed that MORGAN HILL will provide one half-time staff position to GILROY and that GILROY will reimburse MORGAN HILL for MORGAN HILL's costs incurred to employ this position and carry out this work in the amount of one-half of the actual costs to MORGAN HILL for the position; and

WHEREAS, GILROY and MORGAN HILL have agreed that MORGAN HILL will provide part-time management services to GILROY in the areas of solid waste management and stormwater pollution prevention and that GILROY will reimburse MORGAN HILL for MORGAN HILL's costs incurred in providing management services.

NOW, THEREFORE, in consideration for the mutual promises and agreements set forth herein, the parties hereby agree as follows:

SECTION 1. PURPOSE; DELEGATION.

The purpose of this AGREEMENT is to promote efficiency and an economy of operations and resources in complying with the requirements of the General Permit adopted by the State of California. To achieve this end, MORGAN HILL will provide a one-half time staff resource to GILROY to support GILROY'S activities to comply with the General Permit and, in addition, shall provide management services relating to solid waste management, stormwater pollution prevention, and environmental services as set forth in Exhibit "A" (which is attached hereto and incorporated herein), subject to and in accordance with this AGREEMENT. Exhibit "A" may be amended from time to time by the written consent of all parties to this AGREEMENT.

SECTION 2. TERM.

This AGREEMENT shall become effective as of the EFFECTIVE DATE and shall terminate on June 30, 2019, unless this AGREEMENT is amended or GILROY or MORGAN HILL exercises the right to terminate this AGREEMENT pursuant to Section 7 of this AGREEMENT, below.

SECTION 3. STATEMENT OF COSTS.

GILROY shall reimburse MORGAN HILL for all costs incurred by MORGAN HILL pursuant to this AGREEMENT, which may include, but are not limited to, direct costs for labor and benefits and training and travel expenses. The estimated costs to MORGAN HILL of the resources provided by MORGAN HILL to GILROY pursuant to this AGREEMENT are shown in EXHIBIT "B," which is attached hereto. These estimates are for budgetary purposes only and are not intended to limit the parties' obligations under this AGREEMENT. MORGAN HILL shall use all funds paid to MORGAN HILL by GILROY pursuant to this AGREEMENT solely for providing staff services to GILROY. The contribution of GILROY to MORGAN HILL under this Agreement shall not exceed \$54,441 for FY 2014/2015; \$94,614 for FY 2015/2016; \$100,750 for FY 2016/2017; \$107,341 for FY 2017/18; and \$114,423 for FY 2018/2019 unless MORGAN HILL has notified GILROY that the estimated amounts will not be adequate to reimburse MORGAN HILL for actual costs and GILROY agrees that an increase in the amount is warranted.

SECTION 4. PAYMENT FOR SERVICES.

MORGAN HILL will invoice GILROY bi-annually for costs incurred to provide staff services for the previous six (6) months by sending GILROY an invoice. Invoices shall be sent out by April 30 (for the January-June period) and by October 31 (for the July – December period) of each year. GILROY shall pay MORGAN HILL the amounts invoiced within forty-five (45) days of their receipt of such invoices.

SECTION 5. INDEMNIFICATION.

In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the parties to this AGREEMENT pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by a party shall not be shared pro rata, but instead, pursuant to Government Code Section 895.4, each of the parties hereto shall fully indemnify and hold each of the other parties, its officers, board members, employees and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying party, its officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such party under this Agreement. No party, nor any officer, board member, employee or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of other parties hereto, their officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such other parties under this Agreement.

SECTION 6. RECORDS.

MORGAN HILL shall keep itemized and detailed work or job records of all costs incurred and services rendered pursuant to this AGREEMENT. MORGAN HILL shall maintain these records for a minimum period of three (3) years, or for any longer period required by law, following the performance of any services.

SECTION 7. TERMINATION.

- A. MORGAN HILL or GILROY may terminate this AGREEMENT as of the first day of July of any year by giving notice to the other party not less than ninety (90) days prior to the July 1.
- B. If MORGAN HILL fails to perform any of its material obligations under this AGREEMENT, then, in addition to all other remedies available by law, GILROY may terminate this AGREEMENT immediately upon written notice to MORGAN HILL.
- C. The MORGAN HILL City Manager, or his delegatee or designee, is authorized to terminate this AGREEMENT on behalf of MORGAN HILL.
- D. The GILROY City Administrator, or his delegatee or designee, is authorized to terminate this AGREEMENT on behalf of GILROY.
- E. In the event of termination, MORGAN HILL shall deliver to GILROY copies of all reports, documents, or other data generated by MORGAN HILL for or under this AGREEMENT. GILROY shall be responsible for payment to MORGAN HILL of the cost of any services properly rendered in accordance with this Agreement prior to termination within 30 days of termination.

SECTION 8. AMENDMENTS.

This AGREEMENT may be modified only by a written amendment duly executed by the parties to this AGREEMENT.

SECTION 9. NONDISCRIMINATION.

No party to this AGREEMENT shall discriminate, in any way, against any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, or national origin, in connection with or related to the performance of this AGREEMENT.

SECTION 10. ASSIGNABILITY.

MORGAN HILL acknowledges and understands that the expertise and experience of MORGAN HILL is a material consideration inducing GILROY to enter into this AGREEMENT. MORGAN HILL may not assign nor transfer any interest in this AGREEMENT, nor the performance of any of its duties and responsibilities under this AGREEMENT, without the prior written consent of GILROY. Any attempt by MORGAN HILL to so assign or transfer this AGREEMENT or the performance of any of MORGAN HILL'S duties and responsibilities under this AGREEMENT shall be null and void and of no force or effect.

SECTION 11. NOTICES.

All notices and other communications required or allowed to be given under this AGREEMENT to a party shall be in writing and shall be personally served or mailed, postage prepaid and return receipt requested, addressed to the respective party as follows:

GILROY :	City of Gilroy 7351 Rosanna Street Gilroy, California 95020 Attention: CITY ADMINISTRATOR
MORGAN HILL :	City of Morgan Hill 17575 Peak Avenue Morgan Hill, California 95037 Attention: CITY MANAGER

SECTION 12. GOVERNING LAW.

The law governing this AGREEMENT shall be that of the State of California.

or any other work or service under this AGREEMENT shall not be deemed to be a waiver of any term or condition of this AGREEMENT.

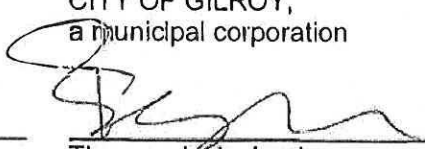
IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the EFFECTIVE DATE first set forth above.

GILROY

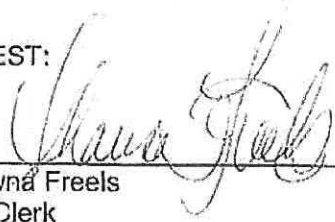
APPROVED AS TO FORM:

CITY OF GILROY,
a municipal corporation


Linda Callon
City Attorney


Thomas J. Haglund
City Administrator

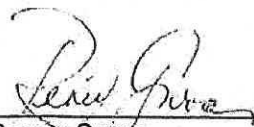
ATTEST:


Shawna Freels
City Clerk

MORGAN HILL

APPROVED AS TO FORM:

CITY OF MORGAN HILL,
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Renee Gurza
City Attorney

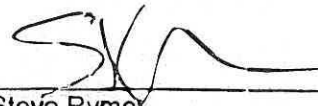

Steve Rymer
City Manager

EXHIBIT A
DESCRIPTION OF STAFF RESOURCES TO BE PROVIDED AND TERMS RELATED
TO ADMINISTERING STAFF RESOURCE

The purpose of this Exhibit is to describe the work anticipated to be conducted under this AGREEMENT and the general terms relating to the employment of the staff resources (STAFF) provided under this AGREEMENT.

1. **Work Locations** - The primary office location for STAFF shall be MORGAN HILL's offices. If desired by GILROY and if GILROY provides a reasonable work location, STAFF shall work in GILROY offices and attend meetings and work directly with customers in GILROY. The scheduling of STAFF's work in GILROY can be designed to provide both regular office hours and flexibility to work in GILROY at additional times as desired. STAFF scheduling shall be arranged through the MORGAN HILL manager.
2. **Management and Supervision** - MORGAN HILL shall provide primary management and supervision of STAFF. MORGAN HILL shall communicate monthly with GILROY to ensure that STAFF is providing expected services to GILROY. Any and all disciplinary activities, if needed, shall be conducted solely by MORGAN HILL with costs thereof shared equally by GILROY.
3. **Recruitment and Hiring** - MORGAN HILL will conduct the recruitment, administer interviews, and complete background analysis to employ STAFF, with costs thereof to be shared equally by GILROY. GILROY shall be invited to participate in the interview and selection process.
4. **General Description of Work Activities** - While it is understood that the work associated with this AGREEMENT is dynamic and may fluctuate over time depending on General Permit requirements and GILROY's interests, the following general work activities are expected to be core activities under the AGREEMENT:
 - a. Track program accomplishments and work activities to develop related reports.
 - b. Evaluate the water quality elements of development plans and provide comments to GILROY staff and development applicants.
 - c. Conduct public education and outreach activities.
 - d. Assist GILROY staff in identifying other General Permit requirements to be completed by other GILROY departments.
5. **Management Services** - MORGAN HILL will provide management services to GILROY relating to solid waste management, stormwater pollution prevention, and environmental services. These services will include, but not be limited to, preparing annual regulatory reports recording solid waste diversion, interacting with state and local representatives on GILROY's behalf, representing GILROY at regional meetings, and responding to queries from GILROY staff on a variety of environmental programs.

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This AGREEMENT shall become effective as of the EFFECTIVE DATE and shall terminate on June 30, 2019, unless this AGREEMENT is amended or GILROY or MORGAN HILL exercises the right to terminate this AGREEMENT pursuant to Section 7 of this AGREEMENT, below.

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In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the parties to this AGREEMENT pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by a party shall not be shared pro rata, but instead, pursuant to Government Code Section 895.4, each of the parties hereto shall fully indemnify and hold each of the other parties, its officers, board members, employees and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying party, its officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such party under this Agreement. No party, nor any officer, board member, employee or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of other parties hereto, their officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such other parties under this Agreement.

SECTION 6. RECORDS.

MORGAN HILL shall keep itemized and detailed work or job records of all costs incurred and services rendered pursuant to this AGREEMENT. MORGAN HILL shall maintain these records for a minimum period of three (3) years, or for any longer period required by law, following the performance of any services.

SECTION 7. TERMINATION.

- A. MORGAN HILL or GILROY may terminate this AGREEMENT as of the first day of July of any year by giving notice to the other party not less than ninety (90) days prior to the July 1.
- B. If MORGAN HILL fails to perform any of its material obligations under this AGREEMENT, then, in addition to all other remedies available by law, GILROY may terminate this AGREEMENT immediately upon written notice to MORGAN HILL.
- C. The MORGAN HILL City Manager, or his delegatee or designee, is authorized to terminate this AGREEMENT on behalf of MORGAN HILL.
- D. The GILROY City Administrator, or his delegatee or designee, is authorized to terminate this AGREEMENT on behalf of GILROY.
- E. In the event of termination, MORGAN HILL shall deliver to GILROY copies of all reports, documents, or other data generated by MORGAN HILL for or under this AGREEMENT. GILROY shall be responsible for payment to MORGAN HILL of the cost of any services properly rendered in accordance with this Agreement prior to termination within 30 days of termination.

SECTION 8. AMENDMENTS.

This AGREEMENT may be modified only by a written amendment duly executed by the parties to this AGREEMENT.

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MORGAN HILL acknowledges and understands that the expertise and experience of MORGAN HILL is a material consideration inducing GILROY to enter into this AGREEMENT. MORGAN HILL may not assign nor transfer any interest in this AGREEMENT, nor the performance of any of its duties and responsibilities under this AGREEMENT, without the prior written consent of GILROY. Any attempt by MORGAN HILL to so assign or transfer this AGREEMENT or the performance of any of MORGAN HILL'S duties and responsibilities under this AGREEMENT shall be null and void and of no force or effect.

SECTION 11. NOTICES.

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GILROY :	City of Gilroy 7351 Rosanna Street Gilroy, California 95020 Attention: CITY ADMINISTRATOR
MORGAN HILL :	City of Morgan Hill 17575 Peak Avenue Morgan Hill, California 95037 Attention: CITY MANAGER

SECTION 12. GOVERNING LAW.

The law governing this AGREEMENT shall be that of the State of California.

SECTION 13. VENUE.

If suit is brought under this AGREEMENT, venue shall be vested exclusively in the state courts of the State of California, County of Santa Clara, or, if federal jurisdiction is appropriate, exclusively in the United States District Court, Northern District of California, San José, California.

SECTION 14. COMPLIANCE WITH LAWS.

All parties to this AGREEMENT shall comply with all applicable laws, rules, regulations, codes and ordinances of the federal, state and local governments in the performance of the SERVICES and its other duties and obligations under this AGREEMENT.

SECTION 15. OWNERSHIP OF MATERIALS.

All reports, documents, photographs, or other materials generated by MORGAN HILL or other person engaged directly or indirectly by MORGAN HILL to perform the work set forth herein shall be and remain the joint property of GILROY and MORGAN HILL.

SECTION 16. WAIVER.

Each party to this AGREEMENT agrees that the waiver by any party of any breach or violation of any term or condition of this AGREEMENT shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition of this AGREEMENT. The acceptance by any party of the performance of the services performed by GILROY

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or any other work or service under this AGREEMENT shall not be deemed to be a waiver of any term or condition of this AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the EFFECTIVE DATE first set forth above.

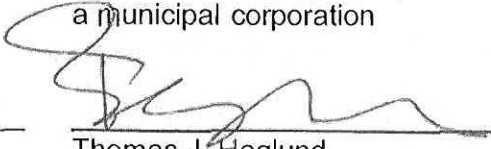
GILROY

APPROVED AS TO FORM:

CITY OF GILROY,
a municipal corporation

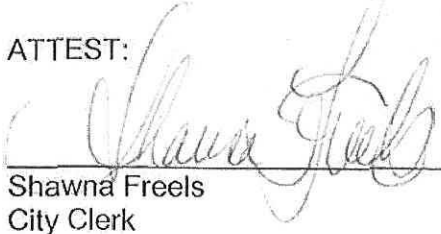


Linda Callon
City Attorney



Thomas J. Haglund
City Administrator

ATTEST:

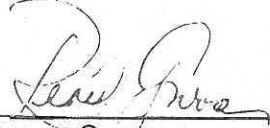


Shawna Freels
City Clerk

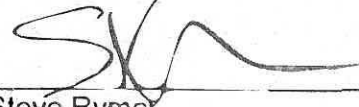
MORGAN HILL

APPROVED AS TO FORM:

CITY OF MORGAN HILL,
a municipal corporation



Renee Gurza
City Attorney



Steve Rymer
City Manager

EXHIBIT A
DESCRIPTION OF STAFF RESOURCES TO BE PROVIDED AND TERMS RELATED
TO ADMINISTERING STAFF RESOURCE

The purpose of this Exhibit is to describe the work anticipated to be conducted under this AGREEMENT and the general terms relating to the employment of the staff resources (STAFF) provided under this AGREEMENT.

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COST ESTIMATE**

	14-15*	15-16	16-17	17-18	18-19
Staff (50% FTE)	\$25,154	\$62,886	\$68,011	\$73,554	\$79,549
Indirect Service Charges	\$674	\$1,684	\$1,821	\$1,970	\$2,130
Training	\$200	\$500	\$500	\$500	\$500
Cell Phone	\$72	\$180	\$180	\$180	\$180
Mileage Reimbursement	\$100	\$250	\$250	\$250	\$250
Total Half Time Staff	\$26,200	\$65,500	\$70,762	\$76,454	\$82,609
Management Staff (12% FTE)	\$27,504	\$28,355	\$29,206	\$30,082	\$30,984
Indirect Service Charges	\$736	\$759	\$782	\$805	\$829
Total Management	\$28,241	\$29,114	\$29,987	\$30,887	\$31,814
Total	\$54,441	\$94,614	\$100,750	\$107,341	\$114,423

* costs for 14/15 are estimated for 40% of the fiscal year for the staff position and 100% of the fiscal year for the management position