



CITY COUNCIL & GILROY PUBLIC FACILITIES FINANCING AUTHORITY REGULAR MEETING AGENDA PACKET

MONDAY, FEBRUARY 27, 2023 | 6:00 PM

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

MAYOR / CHAIR

Marie Blankley

COUNCIL MEMBERS / DIRECTORS

Rebeca Armendariz

Dion Bracco

Tom Cline

Zach Hilton

Carol Marques

Fred Tovar

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

Due to COVID-19, it is possible that the planned in-person meeting may have to change to a virtual meeting at any time and possibly on short notice. Please check the City of Gilroy website www.cityofgilroy.org for any updates to meeting information.

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

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



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



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

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

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

KNOW YOUR RIGHTS UNDER THE GILROY OPEN GOVERNMENT ORDINANCE

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

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

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

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



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

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

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

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

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

The agenda for this regular meeting is as follows:

1. **OPENING (CITY COUNCIL)**

- 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**

- 2.1. **Proclamation – Proclaiming March 2023 as Youth Arts Month**

3. **PRESENTATIONS TO THE COUNCIL**

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

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

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

4. **REPORTS OF COUNCIL MEMBERS**

Council Member Bracco – Cities Association Santa Clara County Board of Directors (*alternate*), Santa Clara County Library Joint Powers Authority, Santa Clara Valley Water Commission, Santa Clara Valley Water Joint Water Resources Commission, SCRWA

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

County United for Health

Council Member Marques – ABAG, 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, South County United for Health (*alternate*), VTA Policy Advisory Committee

Council Member Cline – Gilroy Economic Development Partnership (*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

Council Member Tovar – 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, VTA Mobility Partnership

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

5. **COUNCIL CORRESPONDENCE**

- 5.1. **Advisory and Request from the California League of Cities for a Resolution Opposing the Taxpayer Protection and Government Accountability Act Ballot Measure**

6. **FUTURE COUNCIL INITIATED AGENDA ITEMS**

7. **CONSENT CALENDAR**

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

- 7.1. **Approval of the Action Minutes of the February 6, 2023 City Council Regular Meeting**
- 7.2. **Adoption of a Resolution Approving Budget Amendments in Fiscal Year 2022-23 Adding \$43,529 from the Board of State and Community Corrections Officer Wellness and Mental Health Grant Program to the Police Department Grants Fund.**
- 7.3. **Resolution of the City Council of the City of Gilroy Declaring Weeds a Nuisance**
- 7.4. **Tentative Map Time Extension Request for Greenfield Subdivision approval**

to subdivide 8.36 acres into 14 residential lots, and dedication of 3.7 acres to Uvas Creek Preserve, located at the northerly end of Greenfield Drive, APN 808-20-008, Applicant James Suner (TM 16-02)

- 7.5. **Adopt an Ordinance of the City Council of the City of Gilroy Amending Chapter 19B of the Gilroy City Code Relating to Smoking Pollution Control to Prohibit Smoking at Multi-Family Housing Properties and Public Events Except in Designated Areas**
- 7.6. **Adopt an Ordinance of the City Council of the City of Gilroy Amending Chapter 19C of the Gilroy City Code Relating to Social Host Accountability to Increase the Penalty Amounts and Increase the Period of Time for Issuing Citations**
- 7.7. **Claim of Loreen Clark (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute a denial of the claim).**

8. BIDS AND PROPOSALS

- 8.1. **Award a Contract to Itech Solution in the Amount of \$134,140 with a project contingency of \$13,414 (10%) and Approve a Project Expenditure of \$147,554 for Gilroy Sports Park Playground Surface Repair, Project No. 23-PW-276**
 - 1. Staff Report: Daryl Jordan, Public Works Director
 - 2. Public Comment
 - 3. Possible Action:
Award a contract to Itech Solution in the amount of \$134,140 with an additional project contingency of \$13,414 (10%), for a total construction cost of \$147,554 for the Gilroy Sports Park Playground Surface Repair, Project No. 23-PW-276, and authorize the City Administrator to execute the contract and associated documents.
- 8.2. **Approve an Amendment to the Agreement for Services with Alpine Landscapes for Community Facilities District (CFD) Landscape Maintenance Services to Include Trash and Debris Removal, the Annual Cost for the Expanded Service, Extend the Agreement for 18 Months, with a Total Cost of \$500,450 for the 18 Month Extension**
 - 1. Staff Report: Daryl Jordan, Public Works Director
 - 2. Public Comment
 - 3. Possible Action:
Approve an amendment with Alpine Landscapes to increase the annual contract amount by \$26,916 per year to a total amount of \$333,633 and extend the term of the existing agreement by 18 months for landscape and maintenance services and authorize the City Administrator to execute the amendment and related documents.
- 8.3. **Approve an Amendment to the Agreement for Services with Jensen Landscape Services, LLC for Parks and Landscape Maintenance Services to Include Trash and Debris Removal, the Annual Cost for the Expanded Service, Extend the Agreement for 18 Months, with a Total Cost of \$1,541,637 for the 18 Month Extension**
 - 1. Staff Report: Daryl Jordan, Public Works Director

2. Public Comment

3. Possible Action:

Approve an amendment with Jensen Landscape Services, LLC to increase the annual contract amount by \$92,750 to a total annual amount of \$1,027,758 and extend the term of the existing agreement by 18 months for landscape and maintenance services and authorize the City Administrator to execute the amendment and related documents.

9. **PUBLIC HEARINGS**

9.1. **Proposed Tentative Map to divide 6955 Camino Arroyo into two parcels (within Gilroy Crossing commercial development), Application No. TM 22-05**

1. Disclosure of Ex-Parte Communications

2. Staff Report: Sharon Goei, Community Development Director

3. Open Public Hearing

4. Close Public Hearing

5. Possible Action:

Staff has analyzed the proposed project and recommends that the City Council take the following actions:

Determine that the proposed Tentative Map is exempt from further environmental review and qualifies for the State CEQA Guidelines Class 15 Exemption, Minor Land Divisions because the proposed subdivision results in less than four parcels, is in conformance with the City's General Plan and Zoning, seeks no exceptions or variances, and all services and access to the resulting parcels is available, based on its independent analysis; and

Adopt a resolution to approve the proposed tentative map to divide the property known as APN 841-70-045 into two separate parcels.

10. **UNFINISHED BUSINESS**

11. **INTRODUCTION OF NEW BUSINESS**

11.1. **Renaming of the Gilroy Senior Center's Classroom One after Theodore "Ted" Carpenetti**

1. Staff Report: Adam Henig, Recreation Manager

2. Public Comment

3. Possible Action:

Staff recommends renaming the Gilroy Senior Center's Classroom One after Theodore "Ted" Carpenetti.

11.2. **Adopt a Resolution Declaring Additional Gilroy Gardens Property as Surplus Pursuant to Government Code Section 54221; find that the Council's action in doing so is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3)**

1. Staff Report: Bryce Atkins, Assistant to the City Administrator

2. Public Comment

3. Possible Action:

Council adopt the resolution.

11.3. **Accept the Annual Comprehensive Financial Report for Fiscal Year-Ended June 30, 2022**

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

11.4. **Report on Illegal Fireworks Administrative Citations**

1. Staff Report: Sharon Goei, Community Development Director
2. Public Comment
3. Possible Action:
Receive report on illegal fireworks administrative citations and provide direction for the Fireworks Citation program.

12. **ADJOURN TO THE MEETING OF GILROY PUBLIC FACILITIES FINANCING AUTHORITY**

13. **OPENING (GILROY PUBLIC FACILITIES FINANCING AUTHORITY)**

13.1. **Call to Order**

13.2. **Roll Call**

14. **CONSENT CALENDAR (GILROY PUBLIC FACILITIES FINANCING AUTHORITY)**

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

14.1. **Approval of the Action Minutes of the December 5, 2022 Gilroy Public Facilities Financing Authority Regular Meeting**

15. **INTRODUCTION OF NEW BUSINESS (GILROY PUBLIC FACILITIES FINANCING AUTHORITY)**

15.1. **Approval of Resolutions Specifying Circumstances Under Which Regular Meetings Will Not Be Held; Designating Certain Officers and Employees as Ex Officio Positions; and Adopting a Budget for Fiscal Year 2023-24**

1. Staff Report: Andy Faber, General Counsel/Legal Advisor
2. Public Comment
3. Possible Action:

Staff recommends the Board to adopt resolutions of the Gilroy Public Facilities Financing Authority ("Authority") specifying circumstances under which regular meetings will not be held; designating certain officers and employees as ex officio positions; and adopting a budget for fiscal year 2023-24.

16. **ADJOURN TO THE MEETING OF GILROY CITY COUNCIL**

17. **CITY ADMINISTRATOR'S REPORTS**

17.1. **Gilroy Clean Up Program Announcement**

18. **CITY ATTORNEY'S REPORTS**

19. **CLOSED SESSION**

19.1. **Conference with Negotiator – Collective Bargaining Unit Pursuant to Government Code Section 54957.6, Gilroy City Code Section 17A.11 (4)**

Collective Bargaining Unit: Gilroy Police Officers Association, Inc.,
Representing Gilroy Police Officers;

City Negotiators: Jimmy Forbis, City Administrator; LeeAnn McPhillips,
Assistant City Administrator/Administrative Services & Human Resources
Director;

Anticipated Issue(s) Under Negotiation: Wages, Hours, Benefits, Working
Conditions; Memorandum of Understanding: MOU Between City of Gilroy &
Gilroy Police Officers

20. **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).

21. **ADJOURNMENT**

FUTURE MEETING DATES

March 2023

- 6 Regular Meeting - 6:00 p.m
- 13 Council Goal / Priority Setting Workshop - 6:00 p.m
- 20 Regular Meeting - 6:00 p.m

April 2023

- 3 Regular Meeting - 6:00 p.m
- 17 Regular Meeting - 6:00 p.m

May 2023

- 1 Regular Meeting - 6:00 p.m
- 15 Regular Meeting - 6:00 p.m

Meetings are webstreamed on the City of Gilroy's website at gilroy.city/meetings.



City of Gilroy Proclamation



HEREAS,

the Council for Art Education administers Youth Art Month on a national level and thousands of schools participate; and

WHEREAS,

the Santa Clara County Board of Education has recognized March as Youth Arts Month and is committed to supporting the arts to inspire and prepare students for success in the 21st century and allowing them to develop as productive, contributing members of a strong community, and

WHEREAS,

we share the vision of ensuring that students have access to high-quality arts education that is culturally relevant and inclusive in all forms as part of a comprehensive education that sparks curiosity, imagination, creativity, and joy; and

WHEREAS,

according to the California Department of Education, Fine Arts are taught in almost 60,000 classes in Santa Clara County. Studies have proven that arts learning strategies and arts integration help teachers to recognize and build upon critical thinking skills, curiosity, flexibility, communication, innovation, collaboration and are the traits required for post-secondary and workplace success; and

WHEREAS,

each March, Arts Education is celebrated in local schools, school districts, community arts organizations, and larger communities.

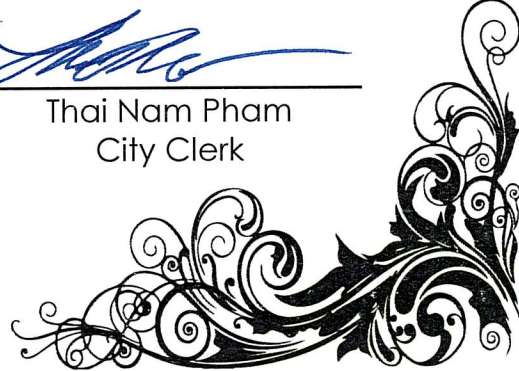
NOW, THEREFORE, I, Marie Blankley, Mayor of the City of Gilroy, on this 27th day of February 2023, along with my colleagues on the City Council, do hereby proclaim the month of March 2023 as

YOUTH ARTS MONTH

Attested to by:


Marie Blankley
MAYOR


Thai Nam Pham
City Clerk



Fiscal and Program Effects of Initiative 21-0042A1 on Local Governments

If Initiative 21-0042A1 is placed on the ballot and passed by voters, it will result in:

- Over \$20 billion of local government fee and charge revenues over 10 years placed at heightened **legal peril**. Related public service reductions across virtually every aspect of city, county, special district, and school services especially for drinking water, sewer sanitation, and public health and safety.
- About \$2 billion of revenues each year from fees and charges adopted after January 1, 2021 **subject to legal peril**.¹
- Over \$2 billion dollars of annual revenues from dozens of tax measures approved by voters between January 1, 2022 and the effective date of the act² subject to additional voter approval if not in compliance with the initiative.
- Indeterminable legal and administrative burdens and costs on local government from new and more empowered legal challenges, and bureaucratic cost tracking requirements.
- The delay and deterrence of municipal annexations.
- Substantially higher legal and administrative cost of public infrastructure financing which will delay and deter new residential and commercial development.
- Service and infrastructure declines including in fire and emergency response, law enforcement, public health, drinking water, sewer sanitation, parks, libraries, public schools, affordable housing, homelessness prevention and mental health services.

1. Local Government Taxes and Services Threatened

With regard to taxes, Initiative 21-0042A1:

- Prohibits advisory, non-binding measures as to use of tax proceeds on the same ballot.
 - o Voters may be less informed and more likely to vote against measures.
- Eliminates the ability of special tax measures proposed by citizen initiative to be enacted by majority voter approval (*Upland*).³
 - o Because the case law regarding citizen initiative special taxes approved by majority vote (*Upland*) is so recent, it is unknown how common these sorts of measures might be in the future. This initiative would prohibit such measures after the effective date of the initiative. Any such measures adopted after January 1, 2022 through the effective date of the Act should it pass would be void a year after the effective date of the initiative.
- Requires that tax measures include a specific duration of time that the tax will be imposed. This seems to require that all tax increases or extensions contain a sunset (end date).
 - o This would require additional tax measures to extend previously approved taxes.
- A city charter may not be amended to impose, extend, or increase a tax might interfere with the ability of cities that do not already have such authority in their charters to adopt Property Transfer Taxes.
 - o There are no more than a few of these every few years, but it is a valuable tax for those that adopt it.

¹ Assumes fee increases since January 1, 2022 would be subject to possible legal challenge if not adopted in compliance with the Initiative.

² The effective date of the initiative would be sometime in December 2024, the date the California Secretary of State certifies the election results of the November 5, 2024 election.

³ Unlike the initiative 17-0050, this initiative **does not** eliminate that ability of cities and counties to adopt general taxes by majority voter approval.

- Requires that a tax measure adopted after January 1, 2022 and before the effective date of the initiative that was not adopted in accordance with the measure be readopted in compliance with the measure or will be void twelve months after the effective date of the initiative.
 - o If past election patterns and elections in 2022 are an indication, over 200 tax measures approving more than \$2 billion annual revenues to support local public services would not be in compliance and would be subject to reenactment. Most will be taxes without a specific end date and special taxes (including parcel taxes). Because there is no regularly scheduled election within the 12 months following the effective date of the initiative, the measures would each require declaration of emergency and unanimous vote of the governing board to be placed on a special election ballot within a year for approval or the tax will be void after that date. I would expect most to succeed, but some will not, in particular citizen initiative majority vote special taxes which would have to meet a higher voter approval threshold to continue.
- Requires voter approval to expand an existing tax to new territory (annexations). This would require additional tax measures and would deter annexations and land development in cities.
 - o If a tax is "extended" to an annexed area without a vote after January 1, 2022, it will be void 12 months later until brought into compliance. Because there is no regularly scheduled election within the 12 months following the effective date of the initiative, such extensions would each require unanimous vote of the agency board to be placed on a special election ballot or would be void a year later.

1.a. Number of Measures and Value of Local Taxes at Risk⁴

Over a hundred local measures were approved in 2022 that likely do not comply with the provisions of Initiative 21-0042A1. Nearly \$2 billion of annual revenues from these voter approved measures will cease a year after the effective date of the measure, reducing the local public services funded by these measures. We can expect a similar volume of measures in 2024 and a similar volume of non-compliance. So the combined total of annual local funding directly affected by Initiative 21-0042A1 due to its retroactivity provision is about \$4 billion.

Citizen Initiative Special Taxes in 2022.

Special taxes placed on the ballot by citizen initiative and approved after January 1, 2022 by a majority but less than two-thirds of the voters are out of compliance with Initiative 21-0042A1.

On June 7, 2022, there were three local special tax measures placed on the ballot by citizen initiative. Two failed to get majority voter approval. A one percent transactions and use tax (sales tax) for the John C. Fremont Healthcare District in Mariposa County received 69.6 percent approval, over the two thirds needed for any special tax under California Constitution Article XIII C. So this measure was passed in compliance with Initiative 21-0042A1.

June 2022 Initiative Special Taxes - majority voter approval

<u>Agency Name</u>	<u>County</u>		<u>Tax/Fee</u>	<u>Rate</u>	<u>Estimated Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>	
John C. Fremont Healthcare District	Mariposa	Measure N	Transactions & Use Tax	1 cent	\$ 150,000	hospital	40yrs	69.6%	PASS
County of Kings	Kings	Measure F	Transactions & Use Tax	1/2 cent	\$ 11,700,000	fire	none	37.6%	FAIL
Manhattan Beach USD	Los Angeles	Measure A	School Parcel Tax	\$1095/yr	\$ 12,000,000	schools	12yrs	31.2%	FAIL

On November 8, 2022, there were 14 local special taxes placed on the ballot by citizen initiative. Seven of these

⁴ Source: Compilation and summary of data from County elections offices.

measures failed with less than majority voter approval. The other seven measures received majority, but less than two-thirds, voter approval. These measures passed under current law but are out of compliance with Initiative 21-0042A1. Taken together these seven taxes will provide estimated annual revenues of **from \$900,000 to \$1.4 billion** in support of parks and recreation, zoo, library, affordable housing, transportation, homelessness prevention, and schools in these communities.

November 2022 Initiative Special Taxes - majority voter approval

<u>Agency Name</u>	<u>County</u>		<u>Tax/Fee</u>	<u>Rate</u>	<u>Estimated Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>	
Crockett Community Services District	Contra Costa	Measure L	Parcel Tax	\$50/parcel	\$ 60,000	parks/recre	none	62.8%	PASS
Oakland	Alameda	Measure Y	Parcel Tax	\$68/parcel	\$ 12,000,000	zoo	20yrs	62.5%	PASS
County of Mendocino		Measure O	Transactions & Use Tax	1/8 cent then 1/4 cent in 2027	\$ 4,000,000	library	none	60.8%	PASS
Los Angeles	Los Angeles	Measure ULA	Property Transfer Tax	4% if >\$5m, 5.5% if >\$10m	\$600 m to \$1.1 b	affordable housing	none	57.3%	PASS
County of Sacramento		Measure A	Transactions & Use Tax	same 1/2 cent	\$ 212,512,500	transportati	40yrs	55.3%	PASS
San Francisco		Proposition M	Business Operations Tax	\$2500-\$5000/ vacant resid unit	\$ 20,000,000	housing	30yrs	54.5%	PASS
Santa Monica	Los Angeles	Measure GS	Property Transfer Tax	\$56/\$1000 if >\$8m	\$ 50,000,000	schools, homelessne ss, afford. housing	none	53.3%	PASS
					Total \$900,000 to \$1.4 billion				

<u>Agency Name</u>	<u>County</u>		<u>Tax/Fee</u>	<u>Rate</u>	<u>Estimated Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>	
County of Calaveras		Measure A	Transactions & Use Tax	1 cent	\$ 5,000,000	fire	none	49.4%	FAIL
South San Francisco (for Schools)	San Mateo	Measure DD	School Parcel Tax	\$2.50/sf	\$ 55,900,000	schools	none	47.2%	FAIL
County of Fresno (for CSU)		Measure E	Transactions & Use Tax	1/5 ct, 1/40 ct (Reedley)	\$ 36,000,000	Calif State Univ	20yrs	46.9%	FAIL
Santa Cruz	Santa Cruz	Measure N	Parcel Tax	\$6k/vacant SFU	xxx	vacant property	xxx	44.2%	FAIL
County of Monterey		Measure Q	Parcel Tax	\$49/parcel	\$ 5,500,000	childcare	10yrs	41.1%	FAIL
San Francisco City College	San Francisco	Measure O	School Parcel Tax	\$150/sfu	\$ 37,000,000	schools	10yrs	36.7%	FAIL
Morro Bay	San Luis Obispo	Measure B	Parcel Tax	\$120+/parcel	\$ 680,000	harbor	none	36.0%	FAIL
Inverness Public Utility District	Marin	Measure O	Parcel Tax	\$0.20/sf, \$150/vacant	\$ 276,000	fire	none	27.0%	FAIL

Non-Specific Tax Durations in 2022

Voters approved 106 measures in June 2022 (10) and November 2022 (96) that do not provide a specific duration of time that the tax will be imposed (end date). Typically, the ballot titles for these measures state that the tax would be imposed "until ended by voters." Four of these measures also did not include any estimate of the annual revenues that the tax would generate, another violation of initiative 21-0042A1. Taken together, these approved local measures generate **\$561 million per year** that will expire a year after the effective date of the initiative if Initiative 21-0042A1 passes.

Measures in 2022 with Non-Specific Durations

<u>Agency Name</u>	<u>County</u>		<u>Tax/Fee</u>	<u>Rate</u>	<u>Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>
Oakland	Alameda	Measure T	Business Tax General	various	\$ 20,900,000		none	71.4% PASS
Culver City	Los Angeles	Measure BL	Business Tax General	various	\$ 10,000,000		none	60.5% PASS
El Segundo	Los Angeles	Measure BT	Business Tax General	various	\$ 3,000,000		none	51.2% PASS
Pico Rivera	Los Angeles	Measure AB	Business Tax General	various	\$ 5,800,000		none	75.5% PASS
Santa Ana	Orange	Measure W	Business Tax General	various	neutral		none	64.8% PASS
Tracy	San Joaquin	Measure B	Business Tax General	various	\$ 3,200,000		none	72.6% PASS
Burlingame	San Mateo	Measure X	Business Tax General	various	\$ 2,500,000		none	75.1% PASS
Los Gatos	Santa Clara	Measure J	Business Tax General	various	\$ 1,100,000		none	53.4% PASS
Santa Clara	Santa Clara	Measure H	Business Tax General	\$45/employee, \$15/rental unit	\$ 6,000,000		none	59.5% PASS
Brisbane	San Mateo	Measure O	Business Tax lodging busn	\$2.50/rm/day	\$ 250,000		none	69.2% PASS
East Palo Alto	San Mateo	Measure L	Business Tax resid. rentals	2.5% gross Rcpts	\$ 1,480,000		none	69.9% PASS
County of Santa Cruz Unincorporated		Measure C	Busn Tax-disp cups	12.5cents/cup	\$ 700,000		none	68.2% PASS
South Lake Tahoe	El Dorado	Measure G	Busn Tax Cannabis	6% retail, manufacturing	\$ 950,000		none	62.9% PASS
McFarland	Kern	Measure O	Busn Tax Cannabis	8% of gross receipts retail,	\$ 1,800,000		none	63.5% PASS
Avenal	Kings	Measure C	Busn Tax Cannabis	\$25+/s for 15% gr rcpts	\$ 600,000		none	61.8% PASS
Baldwin Park	Los Angeles	Measure CB	Busn Tax Cannabis	4% gross Rcpts	\$ 300,000		none	51.3% PASS
Claremont	Los Angeles	Measure CT	Busn Tax Cannabis	4%-7% gr rcpts, \$1-	\$ 500,000		none	61.1% PASS
County of Los Angeles Unincorporated		Measure C	Busn Tax Cannabis	4% gross receipts retail,	\$ 15,170,000		none	60.1% PASS
Cudahy	Los Angeles	Measure BA	Busn Tax Cannabis	15% gross Rcpts	\$ 3,600,000		none	54.0% PASS
El Segundo	Los Angeles	Measure Y	Busn Tax Cannabis	10% Gross Rcpt,	\$ 1,500,000		none	72.8% PASS
Hermosa Beach	Los Angeles	Measure T	Busn Tax Cannabis	10% Gross Rcpt,	\$ 1,500,000		none	67.6% PASS
Lynwood	Los Angeles	Measure TR	Busn Tax Cannabis	5%to 10%	\$ 3,000,000		none	66.4% PASS
Santa Monica	Los Angeles	Measure HM	Busn Tax Cannabis	10% gross Rcpts	\$ 5,000,000		none	66.4% PASS
South El Monte	Los Angeles	Measure CM	Busn Tax Cannabis	6% special excise tax on	\$ 126,000		none	53.7% PASS
Monterey	Monterey	Measure J	Busn Tax Cannabis	6% gross Rcpt	\$ 1,300,000		none	65.2% PASS
Pacific Grove	Monterey	Measure N	Busn Tax Cannabis	6% gross Rcpt	\$ 300,000		none	70.8% PASS
Huntington Beach	Orange	Measure O	Busn Tax Cannabis	6% retail, 1% other	\$ 600,000		none	54.7% PASS

Measures in 2022 with Non-Specific Durations

Agency Name	County		Tax/Fee	Rate	Annual Revenue	Use	Sunset	YES%	
Laguna Woods	Orange	Measure T	Busn Tax Cannabis	4%-10% of gross receipts	\$ 750,000		none	61.1%	PASS
Corona	Riverside	Measure G	Busn Tax Cannabis	9% of gross receipts for	\$ 5,000,000		none	61.6%	PASS
Montclair	San Bernardino	Measure R	Busn Tax Cannabis	7% gross Rcpts	\$ 3,500,000		none	70.3%	PASS
County of San Diego Unincorporated		Measure A	Busn Tax Cannabis	6% retail, 3% distribution,	\$ 5,600,000		none	57.4%	PASS
Encinitas	San Diego	Measure L	Busn Tax Cannabis	4% to 7% of gross receipts	\$ 1,400,000		none	65.1%	PASS
Healdsburg	Sonoma	Measure M	Busn Tax Cannabis	8% gross Rcpt	\$ 500,000		none	72.7%	PASS
Exeter	Tulare	Measure B	Busn Tax Cannabis	10% retail and other, \$10/sf	?		none	66.5%	PASS
Tulare	Tulare	Measure Y	Busn Tax Cannabis	10% retail and other, \$10/sf	?		none	65.2%	PASS
Woodland	Yolo	Measure K	Busn Tax Cannabis	10% gross Rcpts	?		none	66.2%	PASS
Redlands	San Bernardino	Measure J	Busn Tax Distrib centers	from \$0.047/sf to \$0.105/sf	\$ 530,000		none	53.5%	PASS
Arcadia	Los Angeles	Measure SW	Busn Tax Sports Betting	5% gross Rcpts	n/a*		none	63.9%	PASS
Albany	Alameda	Measure K	ParcelTax	\$0.074+/sf	\$ 1,950,000	fire/EMS	none	76.0%	PASS
Cameron Park Airport District	El Dorado	Measure J	ParcelTax	by \$600 to \$900/parcel	\$ 117,900	airport/streets	none	78.2%	PASS
Highlands Village Lighting Benefit Zone	El Dorado	Measure L	ParcelTax	\$140+/parcel	\$ 10,920	streets	none	86.3%	PASS
Knolls Property Owners CSD	El Dorado	Measure P	ParcelTax	by \$300+ to \$600+/parcel	\$ 8,400	streets	none	75.5%	PASS
Sundance Trail Zone of Benefit	El Dorado	Measure C	ParcelTax	\$600+/yr	\$ 24,000	roads	none	73.2%	PASS
South Pasadena	Los Angeles	Measure LL	ParcelTax	xxx	?	library	none	86.2%	PASS
River Delta Fire District	Sacramento	Measure H	ParcelTax	\$90/yr	\$ 130,000	fire	none	72.1%	PASS
Emeryville	Alameda	Measure O	PropTransfTax	\$15/\$1000 if \$1m-\$2m,	\$ 5,000,000		none	71.6%	PASS
San Mateo	San Mateo	Measure CC	PropTransfTax	by 1% to 1.5% if >\$10m	\$ 4,800,000		none	71.8%	PASS
Alameda	Alameda	Measure F	TOT	by 4% to 14%	\$ 910,000		none	59.2%	PASS
Clovis	Fresno	Measure B	TOT	by 2% to 12%	\$ 500,000		none	69.7%	PASS
Kerman	Fresno	Measure G	TOT	10%	\$ 40,000		none	62.3%	PASS
Trinidad	Humboldt	Measure P	TOT	by 4% to 12%	\$ 65,000		none	77.6%	PASS
Imperial	Imperial	Measure G	TOT	by 4% to 12%	\$ 600,000		none	56.2%	PASS
Arcadia	Los Angeles	Measure HT	TOT	by 2% to 12%	\$ 730,000		none	54.1%	PASS
Santa Monica	Los Angeles	Measure CS	TOT	by 1%, 3% home shares	\$ 4,100,000		none	73.7%	PASS

Notes

?= Ballot measure title did not include an estimate of annual revenues, also not in compliance with Initiative 21-0042A1.

n/a*= Arcadia Measure SW passed but sports betting remains illegal after the failure of Propositions 26 and 27 on the November statewide ballot.

Measures in 2022 with Non-Specific Durations

Agency Name	County	Tax/Fee	Rate	Annual Revenue	Use	Sunset	YES%
Anaheim	Orange	Measure J	TOT	online travel companies	\$ 3,000,000	none	59.2% PASS
La Palma	Orange	Measure P	TOT	by 4% to 12%	\$ 200,000	none	71.1% PASS
Colfax	Placer	Measure B	TOT	by 2% to 10%	\$ 29,000	none	73.5% PASS
Rocklin	Placer	Measure F	TOT	by 2% to 10%	\$ 300,000	none	59.8% PASS
Roseville	Placer	Measure C	TOT	by 4% to 10%	\$ 3,000,000	none	73.0% PASS
Big Bear Lake	San Bernardino	Measure P	TOT	by 2% to 10%	\$ 1,300,000	none	54.4% PASS
Grand Terrace	San Bernardino	Measure M	TOT	new 10%	\$ 250,000	none	51.9% PASS
Yucca Valley	San Bernardino	Measure K	TOT	by 5% to 12%	\$ 1,300,000	none	71.9% PASS
Imperial Beach	San Diego	Measure R	TOT	by 4% to 14%	\$ 400,000	none	67.4% PASS
El Paso de Robles	San Luis Obispo	Measure F	TOT	by 1% to 11%	\$ 750,000	none	61.2% PASS
Belmont	San Mateo	Measure K	TOT	by 2% to 14%	\$ 600,000	none	79.3% PASS
Millbrae	San Mateo	Measure N	TOT	by 2% to 14%	\$ 1,500,000	none	75.8% PASS
County of Humboldt Unincorporated		Measure J	TOT	by 2% to 12%	\$ 3,080,000	none	63.3% PASS
County of Placer - North Tahoe TOT Area		Measure A	TOT	by 2% to 10%	\$ 4,000,000	none	90.0% PASS
County of Santa Cruz Unincorporated		Measure B	TOT	by 1% to 12%	\$ 2,300,000	none	69.2% PASS
County of El Dorado - East Slope Tahoe		Measure S	TOT 2/3	by 4% to 14%	\$ 2,500,000	none	81.8% PASS
Chico	Butte	Measure H	TrUT	1 cent	\$ 24,000,000	none	52.4% PASS
Mendota	Fresno	Measure H	TrUT	1.25 cent	\$ 493,498	none	57.2% PASS
Blue Lake	Humboldt	Measure R	TrUT	1 cent	\$ 30,000	none	55.4% PASS
Rio Dell	Humboldt	Measure O	TrUT	3/4cent	\$ 400,000	none	53.3% PASS
County of Kern unincorporated areas		Measure K	TrUT	1 cent	\$ 54,000,000	none	50.8% PASS
McFarland	Kern	Measure M	TrUT	1 cent	\$ 579,662	none	62.2% PASS
Tehachapi	Kern	Measure S	TrUT	1 cent	\$ 4,000,000	none	57.2% PASS
Avenal	Kings	Measure A	TrUT	1 cent	\$ 500,000	none	72.5% PASS
Susanville	Lassen	Measure P	TrUT	1 cent	\$ 1,750,000	none	54.7% PASS
Baldwin Park	Los Angeles	Measure BP	TrUT	3/4 cent	\$ 6,000,000	none	58.1% PASS
Malibu	Los Angeles	Measure MC	TrUT	1/2 cent	\$ 3,000,000	none	52.6% PASS
Monterey Park	Los Angeles	Measure MP	TrUT	3/4 cent	\$ 6,000,000	none	58.5% PASS
Torrance	Los Angeles	Measure SS1	TrUT	1/2 cent	\$ 18,000,000	none	55.0% PASS
Larkspur	Marin	Measure G	TrUT	1/4 cent	\$ 700,000	none	59.4% PASS
Sand City	Monterey	Measure L	TrUT	by 1/2cent to 1.5cents	\$ 1,400,000	none	68.7% PASS
Hemet	Riverside	Measure H	TrUT	same 1 cent	\$ 15,000,000	none	58.0% PASS
Elk Grove	Sacramento	Measure E	TrUT	1 cent	\$ 21,000,000	none	54.1% PASS
Galt	Sacramento	Measure Q	TrUT	1 cent	\$ 3,600,000	none	52.4% PASS
Colton	San Bernardino	Measure S	TrUT	1 cent	\$ 9,500,000	none	66.8% PASS
Ontario	San Bernardino	Measure Q	TrUT	1 cent	\$ 95,000,000	none	53.2% PASS
Solana Beach	San Diego	Measure S	TrUT	1 cent	\$ 3,000,000	none	66.7% PASS
Brisbane	San Mateo	Measure U	TrUT	1/2 cent	\$ 2,000,000	none	63.9% PASS
Goleta	Santa Barbara	Measure B	TrUT	1 cent	\$ 10,600,000	none	64.7% PASS
Solvang	Santa Barbara	Measure U	TrUT	1 cent	\$ 1,600,000	none	63.1% PASS

Measures in 2022 with Non-Specific Durations

<u>Agency Name</u>	<u>County</u>	<u>Tax/Fee</u>	<u>Rate</u>	<u>Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>
Watsonville	Santa Cruz	Measure R	TrUT	1/2 cent	\$ 5,000,000	none	64.4% PASS
Vallejo	Solano	Measure P	TrUT	7/8 cent	\$ 18,000,000	none	54.7% PASS
Modesto	Stanislaus	Measure H	TrUT	1 cent	\$ 39,000,000	none	62.8% PASS
County of Colusa		Measure A	TrUT 2/3	1/2 cent	\$ 2,400,000	EMS	69.4% PASS
Atwater	Merced	Measure B	TrUT 2/3	same 1 cent	\$ 4,000,000	police/fire	73.7% PASS
Truckee	Nevada	Measure U	TrUT 2/3	by 1/4 cent to 1/2 cent	\$ 3,000,000	open space / trails	76.4% PASS
Palo Alto	Santa Clara	Measure L	Utility Transfer	18% gas	\$ 7,000,000	none	77.7% PASS
Santa Clara	Santa Clara	Measure G	Utility Transfer	5 %	\$ 30,000,000	none	84.2% PASS
Hercules	Contra Costa	Measure N	UUT	8%	\$ 3,600,000	none	69.3% PASS
Carson	Los Angeles	Measure UU	UUT	2% electr, gas	\$ 8,000,000	none	78.4% PASS
Sebastopol	Sonoma	Measure N	UUT	3.75% (same)	\$ 700,000	none	83.5% PASS

Co-temporal Advisory Measures in 2022

At the November 2022 election, there was just one local general tax measure that was accompanied by an advisory measure as to the use of funds. The City of Santa Monica's Measure DT property transfer tax failed with just 34 percent approval as voters instead chose the citizen initiative Measure GS.

There was also just one such tax use advisory measure on the June 2022 election. Susanville's voters passed Measure P, a 1 percent transactions and use (sales) tax that generates \$1.75 million per year⁵ for general city services. The measure was accompanied by advisory Measure Q, accompanied the city's It asked, "If Measure P passes, should the revenues be used to balance the budget to maintain and enhance existing public safety services (police and fire), and provide funding to support street infrastructure improvements and provide funding to support economic development efforts designed to increase businesses, jobs and visitors to Susanville?" Both measures passed. Under Initiative 21-0042A1, the tax will expire a year after the effective date of the initiative (i.e., in December 2025).

1.b. Additional Costs and Public Service Effects of the Tax Provisions

Assuming a similar volume of local measures through 2024 as we saw in 2022, there will be over 200 local measures that will need to be redrafted to comply with the Initiative and placed back on the ballot for the taxes to continue after December 2025. The costs of re-drafting, re-placing and re-voting on these measures, previously legally approved by voters, will be in the tens of millions in total statewide.

2. "Exempt Charges" (fees and charges that are not taxes) and Services Threatened

With regard to fees and charges adopted after January 1, 2022, Initiative 21-0042A1:

- Subjects new fees and charges for a product or service to a new "actual and reasonable test."
- Subjects fees and charges for entrance to local government property; and rental and sale of local government property to a new, undefined, "reasonable" test.
- Allows legal challenge to any tax adopted before the effective date of the initiative and after January 1,

⁵ The Susanville measure also did not include a specific end date and so is included in the list and totals of those measures.

2022. Such a lawsuit could enjoin (stop) the enactment of the tax pending the outcome of the legal challenge.

- Subjects a challenged fee to new, higher burdens of proof if legally challenged.

2.a. Value on New Local Government Fees and Charges at Risk⁶

Virtually every city, county, and special district must regularly (e.g., annually) adopt increases to fee rates and charges and revise rate schedules to accommodate new users and activities. Most of these would be subject to new standards and limitations under threat of legal challenge. Based on the current volume of fees and charges imposed by local agencies and increases in those fees simply to accommodate inflation, the amount of local government fee and charge revenue placed at risk is about **\$2 billion per year including those adopted since January 1, 2022. Of \$2 billion, about \$900 million (45 percent) is for special districts, \$800 million (40 percent) is cities, and \$300 million (15 percent) is counties.**⁷

Major examples of affected fees and charges are:

1. Certain water, sanitary sewer, wastewater, garbage, electric, gas service fees.
2. Nuisance abatement charges - such as for weed, rubbish and general nuisance abatement to fund community safety, code enforcement, and neighborhood cleanup programs.
3. Emergency response fees - such as in connection with DUI.
4. Advanced Life Support (ALS) transport charges.
5. Business improvement district charges.
6. Fees for processing of land use and development applications such as plan check fees, use permits, design review, environmental assessment, plan amendment, subdivision map changes.
7. Document processing and duplication fees.
8. Facility use charges, parking fees, tolls.
9. Fines, penalties.
10. Fees for parks and recreation services.

2.b. Additional Costs and Public Service Effects of the Fee/Charge Provisions

In addition to service delays and disruptions due to fee and charge revenues placed at greater legal risk, there would be substantial additional costs for legal defense. The risk to fees and charges will make infrastructure financing more difficult and will deter new residential and commercial development.

mc

⁶ Source: California State Controller Annual Reports of Financial Transactions concerning cities, counties and special districts, summarized with an assumed growth due to fee rate increases (not population) of 2 percent annually.

⁷ School fees are also affected but the amount is negligible by comparison.

The Taxpayer Protection and Government Accountability Act Initiative No. 21-0042A1¹

Feb. 1, 2023

Effective date: Any new or increased tax or fee adopted by the Legislature, a city council, or the local voters after **January 1, 2022**, must comply with the Act's new rules.

Voters

- Local advisory measures are prohibited. No measure may appear on the ballot asking for approval of a general tax that would allow the voters to express a preference for how the revenue from the general tax will, could, or should be used.
- Overturns *Upland* decision which upheld a special tax that had been placed on the ballot by the voters to be approved by a majority vote. Taxes proposed by initiative will be subject to the same rules as taxes placed on the ballot by a city council.
- Voters may not amend a city charter to impose, extend, or increase a tax or fee.

Local taxes

- Requires voter approval in order to apply an existing tax:
 - to territory that is annexed.
 - to a new service or product, for example when a utility user tax is applied to a new service.
- All new or increased taxes adopted after Jan. 1, 2022, must include a sunset date.

State taxes

- All new or increased state taxes require statewide voter approval.
- Prohibits a property tax "surcharge" (increase). Prohibits any allocation of property tax to the state.

¹ This is a summary of some of the more significant provisions of the Act. Please review the Act for a complete understanding of the changes it makes to the Constitution.

Fees and charges

- Fees and charges for services and permits may not exceed the “actual cost” of providing the product or service for which the fee is charged. “Actual cost” is the “minimum amount necessary.” Examples include planning services, excavation and encroachment permits, preparation of candidate statement, and permit parking.
- State and cities have the burden of proving by “clear and convincing evidence” that a fee/charge is not a tax, that the amount is reasonable, and that it does not exceed “actual cost.”
- Franchise fees — historically considered fees, not taxes — will more likely be considered taxes due to the elimination of an existing category of “fee” and the requirement that charges to entrance, purchase, rental, or lease of government property be “reasonable.” The state and cities issue franchises to oil companies, utilities, gas companies, railroads, garbage companies, cable companies, and other corporations.
- No fee or charge or exaction regulating vehicle miles traveled can be imposed as a condition of property development or occupancy.

Fines and penalties (administrative enforcement of state law and municipal codes)

- May require voter approval of fines and penalties for corporations and property owners that violate state and local laws unless a new, undefined adjudicatory process is used to impose the fines and penalties. Examples include nuisance abatement, organic waste reduction requirements, and failure to maintain a vacant property.

ACTION ALERT

State Ballot Measure Restricting Voters' Input and Local Taxing Authority

***** CITY RESOLUTIONS NEEDED *****

ACTION:

The anti-local control California Business Roundtable measure has qualified for the November 2024 ballot. Cal Cities requests cities **adopt a city resolution to demonstrate how harmful this measure would be to their community and the people of California.**

Send adopted city resolutions to BallotMeasures@calcities.org as soon as possible. *A sample city resolution is attached.*

BACKGROUND

On Feb. 1, 2023, the "Taxpayer Protection and Government Accountability Act," or [AG# 21-0042A1](#), qualified for the November 2024 ballot. This anti-local control measure will decimate vital local and state services to the benefit of wealthy corporations. The measure is sponsored by the California Business Roundtable (CBRT) — the lobbying arm of the largest and wealthiest corporations in California.

Cal Cities, along with a broad coalition of local governments, labor, public safety, education, and infrastructure advocates, strongly oppose this initiative.

SUMMARY

The initiative limits voters' authority, adopts new and stricter rules for raising taxes and fees, and may make it more difficult to hold violators of state and local laws accountable.

Effective date

- All new or increased taxes or fees adopted by the Legislature, a city council, or the local voters after **Jan. 1, 2022**, must comply with the Act's new rules.

State taxes

- All new or increased state taxes will require majority voter approval.

Local taxes

- New requirements for voter approval:
 - when an existing tax is applied to a newly annexed territory.
 - when an existing tax is applied to a new service or product, for example when a utility user tax is applied to a new service.
- All new or increased taxes adopted after Jan. 1, 2022, must include a sunset date.

Fees and charges

- Requires that charges for access, use and rental of government property be “reasonable” such as fees charged for use of government facilities and public works infrastructure to oil companies, utilities, gas companies, cable companies, and other corporations.
- Fees and charges for services and permits may not exceed the “actual cost” of providing the product or service for which the fee is charged. “Actual cost” is the “minimum amount necessary.” Examples include planning services, excavation and encroachment permits, preparation of candidate statement, and permit parking.
- State and cities have burden of proving by “clear and convincing evidence” that a fee/charge is not a tax, that the amount is reasonable, and that it does not exceed the “actual cost.”
- No fee or charge or exaction regulating vehicle miles traveled can be imposed on new development.

Fines and penalties [administrative enforcement of state law and municipal codes]

- May require voter approval of fines and penalties for corporations and property owners that violate state and local laws unless a new, undefined adjudicatory process is used to impose the fines and penalties. Examples include nuisance abatement, organic waste reduction requirements, and failure to maintain a vacant property.

Voters

- Local advisory measures are prohibited. No measure may appear on the ballot asking for approval of a general tax that would express the voters' preference for how the tax revenue should be used.
- Overturns *Upland* decision so taxes proposed by initiative are subject to the same rules as taxes placed on the ballot by a city council.
- Voters may not amend a city charter to impose, extend, or increase a tax or fee.

Fiscal

- Puts approximately \$2 billion from fees and charges at risk each year, subject to legal peril.
- Puts approximately \$2 billion of annual tax revenue at risk. Many tax measures approved between 2022-2024 will need to be resubmitted to voters to comply and be reapproved.

TALKING POINTS

Jeopardizes vital local and state services

- This far-reaching measure puts at risk billions of dollars currently dedicated to critical state and local services.
- It could force cuts to fire and emergency response, law enforcement, public health, parks, libraries, affordable housing, services to support homeless residents, mental health services, and more.

Undermines voter rights, transparency, and accountability

- This misleading measure changes our Constitution to make it more difficult for local voters to pass measures needed to fund local services and projects.
- It also includes a provision that would retroactively cancel measures that were passed by local voters — effectively undermining the rights of voters to decide for themselves what their communities need.
- It would limit voter input by prohibiting local advisory measures, where voters provide direction to politicians on how they want their local tax dollars spent.

Opens the door for lawsuits, bureaucracy, and red tape that will cost taxpayers and hurt our communities

- The measure would encourage lawsuits, bureaucracy, and red tape that would cost local taxpayers millions — while significantly delaying and stopping investments in vital services.

Gives wealthy corporations a major loophole to avoid paying their fair share — forcing local residents and taxpayers to pay more

- The measure would create new constitutional loopholes that allow corporations to pay far less than their fair share for the impacts they have on our communities, including local infrastructure and our environment — shifting the burden and making individual taxpayers pay more.

Allows corporations to dodge enforcement when they violate environmental, health, public safety, and other laws

- The deceptive scheme may create new loopholes that make it much more difficult for state and local regulators to issue fines and levies on corporations that violate laws intended to protect our environment, public health and safety, and our neighborhoods.

City of Gilroy
City Council Regular Meeting Minutes
Monday, February 6, 2023 | 6:00 PM

1. OPENING

1.1. Call to Order

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

1.2. Pledge of Allegiance

Council Member Cline led the Pledge of Allegiance.

1.3. Invocation

Pastor Greg Quirke from South Valley Community Church provided the Invocation.

1.4. City Clerk's Report on Posting the Agenda

City Clerk Pham reported on the Posting of the Agenda.

1.5. Roll Call

Attendee Name	Title	Status
Rebeca Armendariz	Council Member	Present
Dion Bracco	Mayor Pro Tempore	Present
Tom Cline	Council Member	Present
Zach Hilton	Council Member	Present
Carol Marques	Council Member	Present
Fred Tovar	Council Member	Present
Marie Blankley	Mayor	Present

1.6. Orders of the Day

Mayor Blankley announced that Council will postpone in hearing of Closed Session Item No. 14.1 to February 27, 2023 City Council Regular Meeting.

Mayor Blankley requested to move 11.4 to be the first item heard in Introduction to New Business. She received no objections to the request.

1.7. Employee Introductions

Police Chief Espinoza introduced the following Police Officers Mario Corvera, Luis Gonzalez, Travis Johnson, and Justin Rhodes.

2. CEREMONIAL ITEMS - Proclamations and Awards

2.1. Proclamation – Gun Violence Survivors Week

Mayor Blankley read aloud the proclamation.

3. **PRESENTATIONS TO THE COUNCIL**

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

Mayor Blankley opened Public Comment. The following members spoke on items that were not on the agenda.

Robert Zepeda to discuss the issue of acceptance of drag entertainment within the community.

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

4. **REPORTS OF COUNCIL MEMBERS**

Council Member Bracco recognized Mayor Blankley's birthday.

Council Member Armendariz reported on Santa Clara County Library Joint Powers Authority.

Council Member Marques had nothing to report.

Council Member Hilton reported on Silicon Valley Clean Energy Authority JPA Board.

Council Member Cline reported on Visit Gilroy California Welcome Center Board and Gilroy Youth Task Force Policy Team. He also mentioned his attendance to the Mayor and New Mayors and Council Members Academy hosted by the League of California Cities.

Council Member Tovar wished a Happy Birthday to the Mayor and Council Member Hilton and thanked the public for attending the January 28th Strategic Planning Meeting.

Mayor Blankley reported on CalTrain Policy Group, VTA Board of Directors, VTA Board Workshop, VTA Administrative and Finance Committee, and Gilroy Youth Task Force.

5. **COUNCIL CORRESPONDENCE**

5.1. **Current Grant Status Update**

Council received the report.

6. **FUTURE COUNCIL INITIATED AGENDA ITEMS**

Council Member Hilton requested for Council to receive a presentation from CARAS a youth center at a future meeting. The item received majority support.

7. **CONSENT CALENDAR**

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

Motion: Adopt the Consent Calendar.

RESULT: Pass

MOVER: Dion Bracco, Mayor Pro Tempore

SECONDER: Rebeca Armendariz, Council Member

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

7.1. **Approval of the Action Minutes of the January 23, 2023 City Council Regular Meeting**

A motion was made to approve the minutes.

7.2. **Approval of the Action Minutes of January 28, 2023 City Council Strategic Planning Workshop**

A motion was made to approve the minutes.

7.3. **Claim of Javier Roacho (The City Administrator recommends a “yes” vote under the Consent Calendar shall constitute the denial of the claim.)**

A motion was made to deny the claim.

7.4. **Claim of Mark Ribeiro (The City Administrator recommends a “yes” vote under the Consent Calendar shall constitute the denial of the claim.)**

A motion was made to deny the claim.

8. **BIDS AND PROPOSALS**

8.1. **Approve the Purchase of Two Public Works Vehicles (One 2023 Ford Super Duty F-550 Dump Truck and One 2023 Ford F-150 Crew Cab) Utilizing Sourcewell Bid 091521-NAF in an amount not to exceed \$154,829**

Administrative Services and Human Resources Director McPhillips gave staff presentation and responded to Council Member questions.

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

Motion: Approve the purchase of two public works vehicles (One 2023 Ford Super Duty F-550 Dump Truck and One 2023 Ford F-150 Crew Cab) utilizing Sourcewell bid 091521-NAF in an amount not to exceed \$154,829

RESULT: Pass

MOVER: Fred Tovar, Council Member

SECONDER: Rebeca Armendariz, Council Member

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

9. **PUBLIC HEARING**

There were none.

10. **UNFINISHED BUSINESS**

There were none.

11. INTRODUCTION OF NEW BUSINESS

11.4. Approve a School Resource Officer Memorandum of Understanding for Fiscal Year 2023-2024

Police Chief Espinoza provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

The following speakers spoke in favor of the item:

Debbie Flores
Ron Kirkish
Mike Nebsnick

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

Motion: Adopt a resolution of the City Council of the City of Gilroy authorizing the City Administrator to enter into an agreement between the City of Gilroy and Gilroy Unified School District for two school resource officers, including cost sharing, for Fiscal Year 2023-2024 (FY24).

RESULT: Pass

MOVER: Fred Tovar, Council Member

SECONDER: Tom Cline, Council Member

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

Enactment No.: Resolution No. 2023-06

11.1. Introduction of An Ordinance of the City Council of the City of Gilroy Amending Chapter 19C of the Gilroy City Code Relating to Social Host Accountability to Increase the Penalty Amounts and Increase the Period of Time for Issuing Citations

Assistant to City Administrator Bryce Atkins provided staff presentation and responded to Council Member questions.

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

Motion: Read the ordinance by title only and waive further reading.

RESULT: Pass

MOVER: Dion Bracco, Mayor Pro Tempore

SECONDER: Carol Marques, Council Member

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

City Clerk Pham read aloud the title of the ordinance.

Motion: Introduce an Ordinance of the City Council of the City of Gilroy Amending Chapter 19C of the Gilroy City Code Relating to Social Host Accountability to Increase the Penalty Amounts and Increase the Period of Time for Issuing Citations.

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RESULT: Pass**MOVER:** Dion Bracco, Mayor Pro Tempore**SECONDER:** Fred Tovar, Council Member**AYES:** Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Council Member Tovar, Mayor Blankley

11.3. **Introduction of an Ordinance of the City Council of the City of Gilroy Amending Chapter 19B of the Gilroy City Code Relating to Smoking Pollution Control to Prohibit Smoking at Multi-family Housing Properties and Public Events**

Assistant to City Administrator Bryce Atkins provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

Thomas Lopez Lara spoke in support of the ordinance.

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

Motion: to read the ordinance by title only and waive further reading of the ordinance.

RESULT: Pass**MOVER:** Marie Blankley, Mayor**SECONDER:** Tom Cline, Council Member**AYES:** Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Council Member Tovar, Mayor Blankley

City Clerk Pham read aloud the title of the ordinance.

Motion: Introduce an Ordinance of the City Council of the City of Gilroy Amending Chapter 19B of the Gilroy City Code Relating to Smoking Pollution Control to Prohibit Smoking at Multi-family Housing Properties and Public Events.

RESULT: Pass**MOVER:** Zach Hilton, Council Member**SECONDER:** Fred Tovar, Council Member**AYES:** Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Council Member Tovar, Mayor Blankley

11.4. **Discussion and Possible Direction Concerning Oversight/Administration of Council-Adopted Downtown Initiatives**

City Administrator Forbis provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

Jeanie Rizzuto thanked City Administrator Forbis for having a meeting with her with regard to the beautification of downtown and inquired how she and other members of the community could get involved in the committee.

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Ron Kirkish opined that downtown business owners should have longer terms in the standing committee as opposed to the proposed one year.

Terence Fugazzi stated that the City should enforce the current codes.

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

Motion:

- **To continue the current reporting structure for Council to receive information concerning Downtown-related projects/issues;**
- **To form a City Council Downtown Committee for two years with the first year focusing on the nine goals, and year two focusing on new additional goals; and**
- **Council flesh out the goal parameters and the structure of the committee at the March 13, 2023 City Council / Priority Setting Workshop.**

RESULT: Pass

MOVER: Rebeca Armendariz, Council Member

SECONDER: Fred Tovar, Council Member

AYES: Council Member Armendariz, Council Member Cline, Council Member Marques, Council Member Tovar

NAYS: Mayor Pro Tempore Bracco, Council Member Hilton, Mayor Blankley

12. **CITY ADMINISTRATOR'S REPORTS**

City Administrator Forbis provided an update on the Shark Ice Rink Arena and housing update efforts.

12.1. **PG&E Scheduling Impacts on City Projects**

Director of Public Works Jordan provided a brief report and responded to Council Member questions.

12.2. **Downtown Parking Lot Update**

Director of Public Works Jordan provided a brief report and responded to Council Member questions.

13. **CITY ATTORNEY'S REPORTS**

City Attorney Faber gave an update on the Civil Grand Jury Report and Housing Element.

14. **CLOSED SESSION**

- 14.1. **Conference with Negotiator – Collective Bargaining Unit Pursuant to Government Code Section 54957.6, Gilroy City Code Section 17A.11 (4)**
Collective Bargaining Unit: Gilroy Police Officers Association, Inc., Representing Gilroy Police Officers;
City Negotiators: Jimmy Forbis, City Administrator; LeeAnn McPhillips, Assistant City Administrator/Administrative Services & Human Resources Director;
Anticipated Issue(s) Under Negotiation: Wages, Hours, Benefits, Working Conditions; Memorandum of Understanding: MOU Between City of Gilroy & Gilroy Police Officers

The item was postponed to the February 27, 2023 City Council Regular Meeting.

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15. **ADJOURN TO OPEN SESSION**

N/A.

16. **ADJOURNMENT**

The meeting was adjourned by Mayor Blankley at 8:00 PM.

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

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

DRAFT



City of Gilroy

STAFF REPORT

Agenda Item Title: Adoption of a Resolution Approving Budget Amendments in Fiscal Year 2022-23 Adding \$43,529 from the Board of State and Community Corrections Officer Wellness and Mental Health Grant Program to the Police Department Grants Fund.

Meeting Date: February 27, 2023
 From: Jimmy Forbis, City Administrator
 Department: Police
 Submitted By: Pedro Espinoza, Police Chief
 Prepared By: Patricia Vigil, Management Analyst

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Adopt a resolution of the City Council of the City of Gilroy approving budget amendments for Fiscal Year 2022-23 in the Police Department Grants Fund.

EXECUTIVE SUMMARY

The Budget Act of 2022 (Assembly Bill 178, Chapter 45, Statutes of 2022) established the Board of State and Community Corrections (BSCC) Officer Wellness and Mental Health Grant Program which provides \$50 million for city and county law enforcement agencies for the purpose of improving officer wellness and expanding mental health sources.

BACKGROUND

In June 2022, Governor Newsom signed the Budget Act of 2022 placing a spending plan to include \$50 million towards:

- Establishing or expanding officer wellness units,
- Establishing or expanding peer support units,

Adoption of a Resolution Approving Budget Amendments in Fiscal Year 2022-23 Adding \$43,529^{7.2} from the Board of State and Community Corrections Officer Wellness and Mental Health Grant Program to the Police Department Grants Fund.

- Services provided by licensed mental health professional, counselor, or other professionals that work with law enforcement,
- Expanding multi agency mutual aid programs focused on officer wellness and mental health, and
- Other programs and services that are evidence-based or have a successful track record of enhancing officer wellness.

ANALYSIS

The allocation of funds was determined by the number of officers described in Penal Code section 830.1. The funding allocation Gilroy Police Department will receive on or before February 15, 2023, is \$43,529.

The Gilroy Police Department Critical Incident Support Debrief (CISD)/ Peer Support Team is responsible for the long-term success of the Department's wellness program. The team consists of trained department personnel to include two Sergeants, five Officers, one Public Safety Dispatcher, one Records Technician, three Police Chaplains, and a retired Police Corporal who is also a licensed marriage and family therapist. The CISD Team is available to help all department personnel in the aftermath of a critical incident such as mass-casualty events, line of duty deaths, colleague suicide, and calls for service involving traumatic scenes.

CISD Team members attend P.O.S.T. reimbursable training including Critical Incident Response and Critical Incident Stress Debrief. Members of CISD avail themselves to counsel coworkers or to help guide coworkers to professional service providers.

A core goal of the Police Department work plan is to implement an employee wellness and resiliency program. The funds will be used with the focus of developing and expanding the CISD goals, incorporating a resiliency component, as well as programs to assist police personnel with their physical and mental health.

ALTERNATIVES

Council may reject the recommendation to appropriate the BSCC Officer Wellness and Mental Health Grant Funds for \$43,529 into the FY23 budget. Staff does not recommend this alternative as funds would not be available to further enhance Department wellness goals.

Adoption of a Resolution Approving Budget Amendments in Fiscal Year 2022-23 Adding \$43,529^{7.2} from the Board of State and Community Corrections Officer Wellness and Mental Health Grant Program to the Police Department Grants Fund.

FISCAL IMPACT/FUNDING SOURCE

Approval of this action would increase revenue and expenditure appropriations to the Police Department Grants Fund, by \$43,529 in the FY23 budget.

Program/Project Cost	Amount
30BSCCWell-Prog Exp (2253000-52610)	\$43,529.13
30BSCCWell-State (2253000-43120)	

RESOLUTION NO. 2023-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
GILROY AMENDING THE BUDGET FOR THE CITY OF
GILROY FOR FISCAL YEAR 2022-2023 IN THE POLICE
DEPARTMENT GRANTS FUND AND APPROPRIATING
PROPOSED EXPENDITURE AMENDMENTS**

WHEREAS, the City Administrator prepared and submitted to the City Council a budget for the City of Gilroy for Fiscal Years 2021-2022 and 2022-2023, and the City Council carefully examined, considered and adopted the same on June 7, 2021; and

WHEREAS, City Staff has prepared and submitted to the City Council a proposed amendment to said budget for Fiscal Year 2022-2023 for the City of Gilroy in the staff report dated February 27, 2023 for the Police Department Grants Fund, appropriating funding received from the Bureau of State and Community Corrections; and

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

NOW, THEREFORE, BE IT RESOLVED THAT appropriations in the Police Department Grants Fund, is hereby increased by \$43,529 for Fiscal Year 2022-2023.

PASSED AND ADOPTED this 27th day of February 2023 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title: Resolution of the City Council of the City of Gilroy Declaring Weeds a Nuisance

Meeting Date: February 27, 2023

From: Jimmy Forbis, City Administrator

Department: Fire

Submitted By: Jim Wyatt, Fire Chief

Prepared By: Jonathan Crick, Deputy Fire Marshal

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Council adopt the resolution declaring weeds and accumulated refuse a nuisance in order to commence the 2023 weed abatement process and program for the City of Gilroy.

EXECUTIVE SUMMARY

Gilroy City Code, Chapter 12, Article III, establishes a procedure for the abatement of weeds and refuse. The annual weed and refuse abatement program includes an initial resolution declaring weeds and refuse a public nuisance. The resolution sets April 17, 2023, for a public hearing of the list of properties subject to abatement. The list created for public hearing includes sites identified as having a weed or refuse problem in the current year as well as during any one of the prior three years. Adoption of the list at the public hearing provides authority for the City (or its contractor) to perform the abatement of weeds and/or refuse for the listed sites and provides for cost recovery by adding it to the property owner's property tax bill as an assessment.

BACKGROUND

The Santa Clara County Weed Abatement Program began in the mid-1970s to reduce the spread of wildfire. The Santa Clara County Weed Abatement Program provides

weed abatement services for 10 cities in Santa Clara County and the unincorporated areas of Santa Clara County. Pursuant to an updated agreement signed in 2021 between the City of Gilroy and the Santa Clara County Agriculture Commissioner's Office, the County Vegetation Management Program has been implementing the weed abatement program as a contractor to the City. Under the agreement, all abatement activities are conducted by the County including the noticing of property owners, property inspections, and the collection of abatement fees and inspection costs. The City is responsible for adopting necessary resolutions and conducting public hearings on the matter.

ANALYSIS

Program Details

The list created for the public hearings includes sites identified as having a weed or refuse problem in the current year as well as during any one of the prior three years. County staff will mail the initial abatement notice to identified property owners within approximately two weeks of the resolution being adopted. Required information in the weed abatement notice includes the public hearing date, instructions on the proper abatement of the sites, and the May 15, 2023 deadline for abatement activities. In addition, the notice also identifies the consequences of not meeting the deadline.

All identified sites will be required to pay the initial inspection fee, currently set at \$92. If a site is abated by the May 15, 2023 abatement deadline then additional fees, such as re-inspection fees and/or abatement oversight fees, will not be assessed. The property owner is required to maintain the abated site and failure to do so will result in the assessment of additional fees. All properties must be free of fire hazards throughout the year to meet minimum safety standards.

Sites that are identified to have weed and/or refuse problems will remain on the list for at least three years. However, property owners can have their property removed from the list. For instance, a site that has achieved three "compliant" years in a row, or a vacant site that has since been developed and is fully landscaped may be removed from the list.

After the initial outreach, the County will also send all property owners a reminder letter 30 days prior to the May 15, 2023 abatement deadline.

After May 15, 2023, the County will conduct inspections and notify those property owners who have not abated their properties. For sites not in the Wildland Urban Interface (WUI) Hazardous Fire Area, the property owner has two weeks to complete the work. If abatement is completed prior to the next inspection, these properties will not be subject to additional fees.

The two-week extension is not provided to properties in the WUI Hazardous Fire Area because these areas are considered to have high fire hazards. In addition, the Public Resources Code requires weed abatement in these areas without any extensions. For

sites in the WUI Hazardous Fire Area, the County will immediately assign the site for abatement by a private contractor. Any site that is abated by the County will be assessed the inspection fee (\$92), the failed inspection fee (\$519), and the cost incurred by the abatement contractor, which is based primarily on the square footage of the site, as well as the abatement oversight cost (\$891).

Since the implementation of this program in 2010, the number of sites on the County's list has fluctuated from year to year but the numbers for Gilroy have decreased since 2017. In Gilroy, there were: 282 sites identified in 2017, 166 sites in 2018, 174 sites in 2019, 146 sites in 2020, 150 in 2021, 147 for 2022, and 166 for 2023.

Key dates associated with this year's program are as follows:

February 27, 2023	City Council Resolution of Public Nuisance
March 13, 2023*	County Notification to Listed Property Owners
April 17, 2023	Public hearing to consider List of Properties requiring abatement
May 1, 2023*	County Notification of Abatement Deadline
May 15, 2023	Abatement Deadline
May 30, 2023*	County conducts initial inspections
June 13, 2023*	Extended Deadline for non-WUI properties only
August 7, 2023*	Public hearing for City Council to Authorize Assessments

*Dates are approximate at this time and provide an estimate as determined by the responsible Agency.

ALTERNATIVES

There are no alternatives. Section 12.48 of Chapter 12 of the Gilroy Municipal Code requires that City Council pass a resolution declaring weeds and accumulated refuse to be a public nuisance. Chapter 12 further requires that City Council order the Fire Chief to implement the weed abatement process.

FISCAL IMPACT/FUNDING SOURCE

The use of the County as a contract agency to carry out their portions of the program has been self-funded through cost recovery from property owners that have failed to abate their sites. The Fire Marshal's office absorbs the staffing cost for coordination and communication with the County, the pre-hearing meeting when a property owner appeals the fees, and processing of the Council Resolutions and Public Hearings.

If the County does not collect adequate funds to meet the program budget, they will prorate the shortfall to the cities based on the percentage of the properties from each City in the program. We will not know until later in the year if there is a budget shortfall because abatement activities will continue through October. Historically, the County has not had a budget shortfall because they have collected adequate fees directly from the property owners to cover the cost of the program.

PUBLIC OUTREACH

As part of the annual program, property owners receive two Weed and Refuse Abatement notices from the Santa Clara County Weed Abatement Program that clearly identify the requirements of the program. Pursuant to the program requirements, the County also notifies property owners when their properties fail inspections. The City of Gilroy performs a variety of fire prevention public outreach, including weed abatement, in coordination with the Public Information Office/Public Communication & Engagement Manager. Such outreach includes a combination of social media, Gilroy Email Express, and utility bill insert mailings.

NEXT STEPS

Once Council adopts the resolution, the public hearing of sites needing abatement will be set for April 17, 2023.

In addition, a report of the property assessments will be presented to the City Council at a public hearing on August 7, 2023. Prior to the hearing, property owners are invited to contact the Fire Marshal to review any assessments they believe are in error. A final list will be presented to the City Council for approval of the assessment. The County Property Tax Assessor will then place the fees on the next property tax bill as an assessment.

Attachments:

1. Draft Resolution
2. 2023 Gilroy Commencement Report (Excel spreadsheet of non-compliant properties for weed abatement)

RESOLUTION NO. 2023-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY DECLARING CERTAIN WEEDS GROWING IN THE CITY OF GILROY AND ACCUMULATIONS OF REFUSE IN THE CITY OF GILROY TO BE A PUBLIC NUISANCE, DESCRIBING WEEDS AND REFUSE WHICH CONSTITUTE SUCH NUISANCE, AND PROVIDING NOTICE OF THE ADOPTION OF THE RESOLUTION BY PUBLICATION THEREOF**

WHEREAS, certain weeds are growing in the City of Gilroy ("City") upon the various streets, alleys, sidewalks and upon private property, which weeds bear seeds of a wingy or downy nature, or which may attain such growth as to become, when dry, a fire menace, or which are otherwise noxious and dangerous; and

WHEREAS, certain refuse is accumulating in the City upon public and private property; and

WHEREAS, said weeds and refuse constitute a public nuisance.

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

1. That such weeds and refuse do now constitute and will continue to constitute a public nuisance, and it is ordered that said public nuisance be abated in the manner provided by Article III of Chapter 12 of the Gilroy City Code.
2. That said nuisance exists upon all of the streets, alleys, sidewalks and private property within said City as shown, described and delineated on the several maps of the property in the City which are recorded in the Office of the County Assessor of the County of Santa Clara, reference in each instance for the description of any particular street, alley or private property being hereby made to the several maps aforesaid, and in the event of there being several subdivision maps on which said lots are shown, reference is hereby made to the latest subdivision map.
3. That it is ordered that Monday, the 17th of April 2023, at the hour of 6:00 o'clock p.m. in the Council Chambers of the City Council of the City, 7351 Rosanna Street, Gilroy, California, is hereby fixed as the time and place when objections to the proposed destruction or removal of said weeds and refuse shall be heard and given due consideration.

4. That the Chief of the Fire Department of the City is hereby ordered and directed to cause notice of the adoption of this resolution and notice of said hearing to be given to all of the affected property owners at their stated mailing address on the latest tax assessor's role, and also to be given in the manner and form provided in Sections 14.29 and 12.53 of the Gilroy City Code, and to cause said notice to be published in the City, at least ten (10) days prior to said hearing; and
5. That nothing in this Resolution prohibits the issuance of citations for violations of City Code Section 12.46 or City Fire Code with regards to Section 304.1.2.

PASSED and ADOPTED this 27th day of February 2023 by the following roll call vote:

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

APPROVED:

Marie Blankley, Chair

ATTEST:

Thai Nam Pham, City Clerk

**2023 WEED ABATEMENT PROGRAM
COMMENCEMENT REPORT
CITY OF GILROY**

7.3

Exhibit A

Situs			APN			CITY/STATE				
1	8340	WINTER	CT	783-03-073	MARQUES, ALBERT	2020 ROCKROSE CT	GILROY	CA	95020-7931	02-
2	8351	WINTER	CT	783-03-077	SUNSET HILLS DEVELOPMENT LLC	575 SOUTHSIDE DR STE C	GILROY	CA	95020	02-
3		NO SITUS		783-04-032	HOEY RANCH COMPANY	2485 HECKER PASS HY	GILROY	CA	95020-8802	02-
4	1920	MANTELLI	DR	783-45-016	SEVILLA, JERRY M AND CUNANAN,	'PO BOX 5175 ARAMCO MC	DHAHRAN		31311	02-
5	0	S HOLLYHOCK	LN	783-45-044	ENTERPRISE REI 8 LLC	10440 DE ANZA BL S STE D5A	CUPERTINO	CA	95014	02-
6	2320	WILDROSE	CT	783-46-039	AHMADI, AMINREZA	'P O BOX 608	LOS GATOS	CA	95030	02-
7				783-46-079	LE, ANH & IPX SERVICES INC	682 KAWEAH AVE	CLOVIS	CA	93619	200
8	0	SUNFLOWER	CL	783-47-003	ENTERPRISE REI 8 LLC	24168 BIG BASIN WY	SARATOGA	CA	95070	02-
9	9283	BRIARBERRY	LN	783-50-006	SHEVCHENKO, DENIS AND REBECA	9283 BRIARBERRY LN	GILROY	CA	95020-8210	02-
10	1383	PHEASANT	DR	783-50-050	ARDANUY, PAUL AND JACQUELYN M	1383 PHEASANT DR	GILROY	CA	95020-8203	02-
11	1463	PHEASANT	DR	783-50-058	PALMER, MARY L	1463 PHEASANT DR	GILROY	CA	95020-8219	02-
12	8772	FOXGLOVE	CT	783-52-019	SAULAN, KIMCHAU THI TRUSTEE	4125 HECKER PASS RD	GILROY	CA	95020	02-
13	8775	WILD IRIS	DR	783-52-029	KOLLAREDDY, SRIDHAR	7948 MCCLELLAN RD APT 1	CUPERTINO	CA	95014	02-
14	8755	WILD IRIS	DR	783-52-031	ZARGARIAN, HELGA	8755 WILD IRIS DR	GILROY	CA	95020-0000	02-
15	8745	WILD IRIS	DR	783-52-032	VARGAS, ANABEL AND GOMEZ,	1355 ST FRANCIS ST	REDWOOD CITY	CA	94061	200
16	1381	PEREGRINE	DR	783-55-018	SANTO, EDWIN ICHIRO TRUSTEE	1381 PEREGRINE DR	GILROY	CA	95020-0000	02-
17	2354	BANYAN	ST	783-65-022	KARBALAEINEMATMOEINI,	2121 CRUDEN BAY WY	GILROY	CA	95020-0000	02-
18	9261	TEA TREE	CT	783-72-006	WOODWARD, DEBBIE	9261 TEA TREE CT	GILROY	CA	95020-0000	02-
19	1881	CAROB	CT	783-72-011	HY, SANG AND YEH, WEN CHUAN	1841 CAROB CT	GILROY	CA	95020-0000	02-
20	1830	CAROB	CT	783-72-016	IYER, EASHWAR SUBRAMANIAM	1830 CAROB CT	GILROY	CA	95020-0000	02-
21	1820	CAROB	CT	783-72-017	NGUYEN, HENRY H ET AL	6971 SPUMANTE WY	GILROY	CA	95020-0000	02-
22	1810	CAROB	CT	783-72-018	OPINSKI, ROSE	2626 FALLBROOK DR	MERCED	CA	95340	02-
23	9145	TEA TREE	WY	783-72-020	RAMM, ANGELA DAVINA MARTINEZ	574 BLAIRBURRY WY	SAN JOSE	CA	95123-1303	02-
24	9045	TEA TREE	WY	783-72-023	CHAKAMIAN, SANJAR AND	1940 PEAR DR	MORGAN HILL	CA	95037-0000	02-

**2023 WEED ABATEMENT PROGRAM
COMMENCEMENT REPORT
CITY OF GILROY**

7.3

Exhibit A

Situs		APN		CITY/STATE					
25	9050	TEA TREE	WY	783-72-024	WORBOYS, TIMOTHY D TRUSTEE	9050 TEA TREE WY	GILROY	CA	95020-0000
26	9035	TEA TREE	WY	783-72-025	ATLLURI SASI K AND SURAPANENI	10800 MAXINE AVE	CUPERTINO	CA	95014-0120
27	9030	TEA TREE	WY	783-72-026	DO NGOC BICH THI ET AL	979 STORY RD #7024	SAN JOSE	CA	95122
28	9025	MIMOSA	CT	783-72-027	KOLLAREDDY, USHARANI ET AL	7948 MCCLELLAN RD APT 1	CUPERTINO	CA	95014
29	8962	TEA TREE	WY	783-72-030	THIEN, TRACY	38 PARK FLETCHER PL	SAN JOSE	CA	95136-2403
30	8981	TEA TREE	WY	783-72-031	UNGER, DAVID AND KHAWAJA,	8981 TEA TREE WY	GILROY	CA	95020-0000
31	8971	TEA TREE	WY	783-72-033	BHATTARAI, ATUL R AND	1660 WHEATLEY PL	SAN JOSE	CA	95121-0000
32	8950	MIMOSA	CT	783-72-035	PHAM, LAN ET AL	1085 MICHIGAN AV	SAN JOSE	CA	95125-2417
33	8955	MIMOSA	CT	783-72-036	INNEH, EMMANUEL AND JENNIFER	1710 VALLEY OAKS DR	GILROY	CA	95020
34	2204	BANYAN	CT	783-72-039	NAYYAR, SAPNA ET AL	2204 BANYAN CT	GILROY	CA	95020-0000
35	2203	BANYAN	CT	783-72-040	ROBLES, RONALD E AND MARIA R	1225 VIENNA DR #251	SUNNYVALE	CA	94089
36	2224	BANYAN	CT	783-72-042	NAKANO, NANCY N ET AL	2224 BANYAN CT	GILROY	CA	95020
37	9210	MAHOGANY	CT	783-72-045	NGUYEN, PHU AND DOAN, LILY	3339 VANGORN WY	SAN JOSE	CA	95121-2555
38	2253	BANYAN	CT	783-72-050	ZHANG, HONGXIN AND TANG, WEI	2253 BANYAN CT	GILROY	CA	95020-0000
39	2273	BANYAN	CT	783-72-051	PREMNATH, FLEMING J AND	2356 PATRICIA DR	SANTA CLARA	CA	95050-5018
40	2283	BANYAN	CT	783-72-052	JEONG JONGHUN AND CHOI YUNHEE	'PO BOX 10652	SAN JOSE	CA	95127
41	2202	COLUMBINE	CT	783-72-061	KRUPA, STANISLAW TRUSTEE & ET	901 CALLE SERRA	SAN DIMAS	CA	91773
42	2251	MANTELLI	DR	783-72-066	RAMIREZ, PEDRO AND JOSEFINA	2725 SCOTTSDALE DR	SAN JOSE	CA	95148-3427
43	1681	LONGMEADO	CT	783-75-081	DHALIWAL, JASDEEP S ET AL	39224 GUARDINO DR 216	FREMONT	CA	94538
44	75	FARRELL	AV	790-07-006	LEAL, AMADOR AND PALMINA	75 FARRELL AV	GILROY	CA	95020-7616
45		NO SITUS		790-07-085	KUANG, WEIWEI	1952 EISENHOWER DR	SANTA CLARA	CA	95054-1621
46		NO SITUS		790-07-086	KUANG, WEIWEI	1952 EISENHOWER DR	SANTA CLARA	CA	95054-1621
47		NO SITUS		790-07-087	KUANG, WEIWEI	1952 EISENHOWER DR	SANTA CLARA	CA	95054-1621
48		NO SITUS		790-07-088	KUANG, WEIWEI	1952 EISENHOWER DR	SANTA CLARA	CA	95054-1621

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Exhibit A

	Situs			APN		CITY/STATE					
49	8877	MONTEREY	RD	790-15-036	MARGARETICH, BOZO AND VANJA	946 STANLEY AV	LOS ALTOS	CA	94024-5067	02-	
50	9145	JARDIN	WY	790-16-257	BROOKS, JULIA M ET AL	9145 JARDIN WY	GILROY	CA	95020	02-	
51	9130	KERN	AV	790-17-002	D R HORTON BAY INC	3000 EXECUTIVE PY STE 100	SAN RAMON	CA	94583	02-	
52	9160	KERN	AV	790-17-003	D R HORTON BAY INC	3000 EXECUTIVE PY STE 100	SAN RAMON	CA	94583	02-	
53	8401	DIANE	CT	790-30-076	TORRES, ALBERT	8401 DIANE CT	GILROY	CA	95020-4213	02-	
54	401	BROADWAY	ST	790-33-019	FLORES, ANTHONY R	PO BOX 1557	GILROY	CA	95021-1557	02-	
55	0	CHURCH	ST	790-35-001	HOWSON INDUSTRIES LLC	1648 MULBERRY LN	SAN JOSE	CA	95125-4942	02-	
56	8051	CHURCH	ST	790-35-002	MA, WEIMIN TRUSTEE & ET AL	103 CHIPPENDALE CT	LOS GATOS	CA	95032	02-	
57	0	CHURCH	ST	790-35-008	ROMAN CATHOLIC BISHOP OF SAN	11 FIRST ST	GILROY	CA	95020	02-	
58	0	CHURCH	ST	790-36-002	HOWSON INDUSTRIES LLC	1648 MULBERRY LN	SAN JOSE	CA	95125-4942	02-	
59	8335	CHURCH	ST	790-36-039	INTERNATIONAL CHURCH OF THE	8335 CHURCH ST	GILROY	CA	95020	02-	
60	1375	1ST	ST	790-39-019	S A PROPERTIES GROUP LLC	5820 STONERIDGE MALL RD	PLEASANTON	CA	94588	02-	
61	1355	1ST	ST	790-39-030	YOUMANS, KRAIG AND FORTINO,	12005 TURLOCK AV	SAN MARTIN	CA	95046-9432	02-	
62	8771	CHURCH	ST	790-53-087	GORAYA, MANU K	860 MAPLE AV	SAN MARTIN	CA	95046-9538	02-	
63	108	CHICKADEE	LN	790-66-057	TEMPLE SAN JOSE LLC	527 SIMAS DR	MILPITAS	CA	95035-4723	02-	
64	7733	MONTEREY	RD	799-03-054	7711 MONTEREY ROAD, LLC	7711 MONTEREY RD	GILROY	CA	95020	200	
65	7733	MONTEREY	RD	799-03-054	7711 MONTEREY RD LLC	0 305	SAN JOSE	CA	95138	02-	
66	7711	MONTEREY	RD	799-03-055	7711 MONTEREY RD LLC	7711 MONTEREY RD	GILROY	CA	95020	200	
67	7273	EIGLEBERRY	ST	799-09-028	KAUR, SANDEEP AND SINGH,	3117 OAKGATE WY	SAN JOSE	CA	95148-3026	02-	
68	0	EIGLEBERRY	ST	799-10-042	BAINS, JAGJIT SINGH	3435 HARBOR CT	SAN JOSE	CA	95127-4311	02-	
69	195	9TH	ST	799-10-057	DIAZ, JUAN A	PO BOX 193	SAN MARTIN	CA	95046	02-	
70	7040	CHURCH	ST	799-11-068	DING, ANDREW	7040 CHURCH ST	GILROY	CA	95020-6410	02-	
71		NO SITUS		799-11-069	GOLDEN BRIDGE PROPERTIES LLC	1669 2 HOLLENBECK AV 185	SUNNYVALE	CA	94087	02-	
72	7421	HANNA	ST	799-18-031	JEUNG MICHAEL A ET AL	7421 HANNA ST	GILROY	CA	95020	200	

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Situs		APN				CITY/STATE					
73	6700	CHURCH	ST	799-33-001	MONSEF, CYRUS	6700	CHURCH ST	GILROY	CA	95020-6508	02-
74	0	FILBRO	DR	799-44-093	TMP ROYAL WAY LLC	5671	SANTA TERESA BL STE	SAN JOSE	CA	95123	02-
75	0	ROYAL	WY	799-44-094	TMP ROYAL WAY LLC	5671	SANTA TERESA BL STE	SAN JOSE	CA	95123	02-
76	0	ROYAL	WY	799-44-095	TMP ROYAL WAY LLC	5671	SANTA TERESA BL STE	SAN JOSE	CA	95123	02-
77	0	ROYAL	WY	799-44-096	TMP ROYAL WAY LLC	5671	SANTA TERESA BL STE	SAN JOSE	CA	95123	02-
78	0	ROYAL	WY	799-44-097	TMP ROYAL WAY LLC	5671	SANTA TERESA BL STE	SAN JOSE	CA	95123	02-
79	0	ROYAL	WY	799-44-098	TMP ROYAL WAY LLC	5671	SANTA TERESA BL STE	SAN JOSE	CA	95123	02-
80	0	THOMAS	RD	799-44-109	TMP ROYAL WAY LLC	5671	SANTA TERESA BL STE	SAN JOSE	CA	95123	02-
81	321	LUCHESSA	AV	799-44-110	TMP ROYAL WAY LLC	5671	SANTA TERESA BL STE	SAN JOSE	CA	95123	02-
82	1410	1ST	ST	808-01-021	EAGLE GARDEN LLC	21701	STEVENS CRK BLV	CUPERTINO	CA	95014	02-
83	7890	SANTA TERESA	BL	808-01-022	EAGLE GARDEN LLC	21701	STEVENS CRK BLV	CUPERTINO	CA	95014	02-
84	1490	1ST	ST	808-01-023	EAGLE GARDEN LLC	21701	STEVENS CRK BLV	CUPERTINO	CA	95014	02-
85	0	PONDEROSA	DR	808-01-024	PIROZZOLI, MONICA TRUSTEE & ET	366	5TH ST	GILROY	CA	95020	02-
86		NO SITUS		808-19-030	CHRISTOPHER, DONALD C ET AL	305	BLOOMFIELD AV	GILROY	CA	95020	02-
87	E	NO SITUS		808-19-031	COMMUNITY RESOURCESINC	480	STATE ST E STE 100	EAGLE	ID	83616	02-
88	0	THOMAS	LN	808-20-008	SUNER CORPORATION	9761	ZUNI LN	GILROY	CA	95020-0000	02-
89	10	WEST	AV	808-21-009	YAHYA, NAAIM A TRUSTEE & ET AL	1835	SULLIVAN CT	MORGAN HILL	CA	95037	200
90	6201	THOMAS	RD	808-38-001	THOMAS ROAD PROPERTIES LTD THE	7888	WREN AV D-143	GILROY	CA	95020	02-
91	6151	THOMAS	RD	808-39-066	CORP PRESI BISH CHURCH CHRIST	50	E NORTH TEMPLE FL 22	SALT LAKE CITY	UT	84150-3620	02-
92		NO SITUS		810-20-021	HP AG LAND LLC	23	CORPORATE PL 150	NEWPORT BEACH	CA	92625	02-
93	2740	HECKER PASS	RD	810-20-033	OWENS FINANCIAL GROUP INC	2221	OLYMPIC BL	WALNUT CREEK	CA	94595	02-
94				810-28-024	WILLIAMS JAKIE C TRUSTEE & ET AL	1000	MESA RD	GILROY	CA	95020	020
95	925	WILDFLOWER	CT	810-28-026	WILLIAMS, JAKIE C TRUSTEE & ET	1000	MESA RD	GILROY	CA	95020-6820	02-
96	935	WILDFLOWER	CT	810-28-027	WILLIAMS, JAKIE C TRUSTEE & ET	1000	MESA RD	GILROY	CA	95020-6820	02-

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Situs		APN		CITY/STATE							
97	945	WILDFLOWER	CT	810-28-028	WILLIAMS, JAKIE C TRUSTEE & ET	1000	MESA RD	GILROY	CA	95020-6820	02-
98	955	WILDFLOWER	CT	810-28-029	WILLIAMS, JAKIE C TRUSTEE & ET	1000	MESA RD	GILROY	CA	95020-6820	02-
99	950	WILDFLOWER	CT	810-28-032	WILLIAMS, JAKIE C TRUSTEE & ET	1000	MESA RD	GILROY	CA	95020-6820	02-
100	940	WILDFLOWER	CT	810-28-033	WILLIAMS, JAKIE C TRUSTEE & ET	1000	MESA RD	GILROY	CA	95020-6820	02-
101	930	WILDFLOWER	CT	810-28-034	WILLIAMS, JAKIE C TRUSTEE & ET	1000	MESA RD	GILROY	CA	95020-6820	02-
102	920	WILDFLOWER	CT	810-28-035	WILLIAMS, JAKIE C TRUSTEE & ET	1000	MESA RD	GILROY	CA	95020-6820	02-
103	910	WILDFLOWER	CT	810-28-036	WILLIAMS, JAKIE C TRUSTEE & ET	1000	MESA RD	GILROY	CA	95020-6820	02-
104	900	WILDFLOWER	CT	810-28-037	WILLIAMS, JAKIE C TRUSTEE & ET	1000	MESA RD	GILROY	CA	95020-6820	02-
105	6675	EAGLE RIDGE	CT	810-60-018	DO & PARTNERS LLC	9419	GERANIUM CL	FOUNTAIN VALLEY	CA	92708	02-
106	6685	EAGLE RIDGE	CT	810-60-019	DO & PARTNERS LLC	9419	GERANIUM CL	FOUNTAIN VALLEY	CA	92708	02-
107	6695	EAGLE RIDGE	CT	810-60-020	DO & PARTNERS LLC	9419	GERANIUM CL	FOUNTAIN VALLEY	CA	92708	02-
108	1520	S HECKER PASS	RD	810-66-012	VILLAGE AT SANTA TERESA LP	1700	EL CAMINO REAL S 400	SAN MATEO	CA	94402	02-
109	7518	FERNIE	CT	810-67-041	RADOSEVICH, ERIC J TRUSTEE	7518	FERNIE CT	GILROY	CA	95020-0000	02-
110	6615	EAGLE RIDGE	CT	810-72-029	DO & PARTNERS LLC	9419	GERANIUM CL	FOUNTAIN VALLEY	CA	92708	02-
111	6625	EAGLE RIDGE	CT	810-72-030	DO & PARTNERS LLC	9419	GERANIUM CL	FOUNTAIN VALLEY	CA	92708	02-
112	6635	EAGLE RIDGE	CT	810-72-031	DO & PARTNERS LLC	9419	GERANIUM CL	FOUNTAIN VALLEY	CA	92708	02-
113	6645	EAGLE RIDGE	CT	810-72-032	DO & PARTNERS LLC	9419	GERANIUM CL	FOUNTAIN VALLEY	CA	92708	02-
114	6651	EAGLE RIDGE	CT	810-72-033	DO & PARTNERS LLC	9419	GERANIUM CL	FOUNTAIN VALLEY	CA	92708	02-
115	6655	EAGLE RIDGE	CT	810-72-034	DO & PARTNERS LLC	9419	GERANIUM CL	FOUNTAIN VALLEY	CA	92708	02-
116	6671	EAGLE RIDGE	CT	810-72-035	DO & PARTNERS LLC	9419	GERANIUM CL	FOUNTAIN VALLEY	CA	92708	02-
117		MONTEREY	NU	835-01-034	UNION PACIFIC CO	10031	FOOTHILLS BLVD	ROSEVILLE	CA	95030	200
118		MONTEREY	NU	835-01-035	UNION PACIFIC CO	10031	FOOTHILLS BLVD	ROSEVILLE	CA	95030	200
119		MURRAY	AV	835-01-059	HIGHLY VISUAL LLC	8840	FOREST ST	GILROY	CA	95020	200
120	8585	MURRAY	AV	835-01-065	ESPARZA ROBERT TRUSTEE	443	EL CAJON DR	SAN JOSE	CA	95111-3509	200

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Situs		APN		CITY/STATE					
121	210	LAS ANIMAS	AV	835-02-013	SHELTON, G WILLIAM	1216 PALADIN WY	PLEASANTON	CA	94566
122		MONTEREY	NU	835-02-014	UNION PACIFIC CO	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95030
123	0	LAS ANIMAS	AV	835-02-016	CLOMONEY LLC	'PO BOX 60352	SUNNYVALE	CA	94088
124	0	LAS ANIMAS	AV	835-02-061	CLOMONEY LLC	'PO BOX 60352	SUNNYVALE	CA	94088
125	402	MADISON	CT	835-03-059	ZEPEDA ALFREDO ET AL	1420 DUROUX RD	LA MARQUE	TX	77568
126		NO SITUS		835-04-067	MONTANO, LYDIA R AND ALFRED	15191 KARL AV	MONTE SERENO	CA	95030-2229
127		NO SITUS		835-04-068	MONTANO, LYDIA R AND ALFRED	15191 KARL AV	MONTE SERENO	CA	95030-2229
128	315	LAS ANIMAS	AV	835-05-006	LAS ANIMAS DEVEL COLLC	'PO BOX 1772	GILROY	CA	95021
129	135	LAS ANIMAS	AV	835-05-007	BALDEV MANN & GURMET MANN	832 BELL ST	EAST PALO ALTO	CA	94303
130	55	LAS ANIMAS	AV	835-05-008	SHELTON G WILLIAM	1216 PALLADIN WAY	PLEASANTON	CA	94566
131	410	COHANSEY	AV	835-05-016	GERA NICHOLAS TRUSTEE & ET AL	19341 MONTE VISTA DR	SARATOGA	CA	95070-6219
132	405	LAS ANIMAS	AV	835-05-024	TES INVESTMENTS LLC	1754 TECHNOLOGY DR STE	SAN JOSE	CA	95110
133		FOREST	NU	835-31-030	8805 FORREST QOZB LLC	'PO BOX 787	DIABLO	CA	94528
134		FOREST	NU	835-31-031	HOLLER DYLAN R TRUSTEE	405 SPRING GROVE RD	HOLLISTER	CA	95023
135		SWANSTON	LN	841-01-064	SWANSTON LANE LLC	18640 SUTTER BLVD STE 100	MORGAN HILL	CA	95037
136	7888	MONTEREY	RD	841-02-009	CORIA EFRAIN AND CLAUDIA	7888 MONTEREY RD	GILROY	CA	95020
137			NU	841-02-046	UNION PACIFIC CO	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95030
138			NU	841-02-055	DRL PROPERTIES LLC	2545 MUIRFIELD WAY	GILROY	CA	95020
139	341	LEWIS	ST	841-03-063	PATEL JITENDRA AND NAYANA	39625 FREMONT BLVD	FREMONT	CA	94538
140	311	LEWIS	ST	841-03-070	RODRIGUEZ QUIRINO V AND	835 GREEN VALLEY RD	WATSONVILLE	CA	95076
141	222	MARTIN	ST	841-06-040	LIU DENG AND CHEN SASHA	400 PALM AVE	MILLBRAE	CA	94030
142	7492	CHESTNUT	ST	841-07-027	SANCHEZ ELOY G AND ANGELICA M	7492 CHESTNUT ST	GILROY	CA	95020
143	7472	CHESTNUT	ST	841-07-043	TORRES-FERNANDEZ ELISA ET AL	7472 CHESTNUT ST	GILROY	CA	95020-5806
144	7472	CHESTNUT	ST	841-07-043	TORRES-FERNANDEZ, ELISA ET AL	7472 CHESTNUT ST	GILROY	CA	95020-5806

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Situs			APN			CITY/STATE				
145	7498	CHESTNUT	ST	841-07-049	ZHENG SHAO LAN AND ZHU	7498 CHESTNUT ST	GILROY	CA	95020-5806	200
146		SOUTH	FY	841-10-039	PACIFIC GAS AND ELECTRIC CO	111 ALMADEN BLVD	SAN JOSE	CA	95115	200
147		SOUTH	FY	841-14-058	UNION PACIFIC CO	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95030	200
148		SOUTH	FY	841-14-059	UNION PACIFIC CO	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95030	200
149				841-14-060	UNION PACIFIC CO	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95030	200
150				841-14-072	UNION PACIFIC CO	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95030	200
151	5870	MONTEREY	RD	841-14-080	GARLIC FARM TRUCK CENTER LLC	5000 E 2ND ST UNIT G	BENECIA	CA	94510	200
152	6900	CAMERON	BL	841-17-100	MCCARTHY GILROY LLC	210 ALMENDRA AVE	LOS GATOS	CA	95030-7211	200
153	6503	CAMERON	BL	841-17-107	MCCARTHY GILROY LLC	210 ALMENDRA AVE	LOS GATOS	CA	95030-7211	200
154				841-17-121	UNITED NATURAL FOODS WEST INC	100 OLIVER ST FLR 18TH	BOSTON	MA	'02110	200
155	402	HADLEY	CT	841-53-032	MARQUEZ, PRISCILLA A	402 HADLEY CT	GILROY	CA	95020-5839	02-
156				841-53-066	NGUYEN THU TAM	2673 MCLAUGHLIN AVE	SAN JOSE	CA	95121-2752	200
157				841-69-042	SOUTHPOINT BUSINESS PARK	'P O BOX 5368	SAN JOSE	CA	95150	200
158		PACHECO PASS	HY	841-70-014	CAPRARA JANICE TRUSTEE & ET AL	26769 EL CAMINO REAL	GONZALES	CA	93926	200
159		HOLLOWAY	RD	841-70-026	GILROY PARTNERS LLC	67 MOUNTAIN BLVD UNIT 201	WARREN	NJ	'07059	200
160	555	HOLLOWAY	RD	841-70-037	ROCHA JOE A AND VICTORIA M	575 SOUTHSIDE DR	GILROY	CA	95020	200
161	6970	CAMINO		841-70-049	TEMPLE GILROY LLC	527 SIMAS DR	MILPITAS	CA	95035-4723	200
162	5885	N ROSSI	LN	841-72-001	SIEMPRE SOBRE EL DINERO LLC	190 MONTGOMERY ST N	SAN JOSE	CA	95110	02-
163	560	ROSSI	CT	841-72-008	PULMUONE FOODS USA INC	2315 MOORE AVE	FULLERTON	CA	92833	200
164		E LUCHESSA	AV	841-73-005	LONESTAR CALIFORNIA INC	1501 BELVEDERE RD	WEST PALM BEACH	FL	33406	200
165	5980	TRAVEL PARK	CL	841-75-011	HOANG VINCE AN TRI	5240 MONTEVERDE LN	LINCOLN	CA	95648	200
166	6601	CAMERON	BL	841-84-009	MCCARTHY GILROY LLC	210 ALMENDRA AVE	LOS GATOS	CA	95030-7211	200



City of Gilroy

STAFF REPORT

Agenda Item Title: Tentative Map Time Extension Request for Greenfield Subdivision approval to subdivide 8.36 acres into 14 residential lots, and dedication of 3.7 acres to Uvas Creek Preserve, located at the northerly end of Greenfield Drive, APN 808-20-008, Applicant James Suner (TM 16-02)

Meeting Date: February 27, 2023
 From: Jimmy Forbis, City Administrator
 Department: Community Development
 Submitted By: Sharon Goei, Community Development Director
 Prepared By: Kraig Tambornini, Senior Planner

STRATEGIC PLAN GOALS

Promote Safe Affordable Housing for All

RECOMMENDATION

Adopt a resolution approving a 12-month time extension of Tentative Map TM 16-02.

EXECUTIVE SUMMARY

On November 5, 2018, the City Council approved the Greenfield 14-lot subdivision for an initial period of two years, through November 5, 2020. Legislative actions taken by the State and City further extended project approval through November 30, 2022. The applicant has filed an extension request in compliance with the State Subdivision Map Act. Pursuant to the provisions of State law, a project qualifies for an extension of time under the same conditions and circumstances under which it was originally approved. No changes to conditions can be required except if necessary to comply with a provision of state or federal law. Approval of this request would extend the permit expiration date for TM 16-02 through to November 30, 2023.

BACKGROUND

Tentative Map Time Extension Request for Greenfield Subdivision approval to subdivide 8.36^{7.4} acres into 14 residential lots, and dedication of 3.7 acres to Uvas Creek Preserve, located at the northerly end of Greenfield Drive, APN 808-20-008, Applicant James Suner (TM 16-02).

The City Council approved TM 16-02 on November 5, 2018, for 14 residential lots on 8.36 acres, via Resolution 2018-44. The approval included dedication of 3.7 acres as public park space, resulting in a net density of 3 units per acre. The density and type of development implements the site's low density residential land use designation. A mitigated negative declaration was also prepared and adopted for the project, with the mitigations incorporated into the project conditions of approval.

The approval was granted for an initial period of two years, through November 5, 2020. On June 1, 2020, City Council extended the expiration periods for all active entitlements through May 31, 2021. This was in response to County and State Orders requiring business closures during the COVID-19 pandemic. Subsequent to this action, on September 30, 2020, the state legislature enacted AB 1561 which granted an additional extension of 18 months to housing entitlements that were issued before March 4, 2020, and that would expire before December 31, 2021. This had the effect to grant legislative extensions for the project through November 30, 2022.

On November 30, 2022, the applicant paid fees and filed a request for a 12-month extension to allow the processing of the final map and improvement plans. No other changes to the approval have been requested; therefore, the time extension request requires no additional review.

ANALYSIS

Staff has analyzed the time extension request and determined approval is warranted based on the following:

Municipal Code and Subdivision Map Act:

The Subdivision Map Act, Government Code §66452.6(a), mandates an initial two-year life for a tentative map, which may be extended by local ordinance for an additional 12 months. Gilroy City Code Section 21.41(i) provides that the City Council, at its discretion, may extend approval of a tentative map for an additional 12 months. Moreover, Government Code §66452.6(e) provides that a local agency may extend a Tentative Map for an additional period or periods not to exceed six years. This provision preempts City regulations that limit the number of extensions to three years.

Although granting an extension of the tentative map is discretionary, under Government Code §66452.6(e), the courts have held that the local agency's discretion is limited to the length of the extension and that the local agency cannot add new conditions to the tentative map. Under Government Code §66498.1 a local agency may condition or deny a permit, approval, extension, or entitlement only if it determines any of the following:

- (1) A failure to do so would place the residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety, or both.
- (2) The condition or denial is required in order to comply with state or federal law.

Tentative Map Time Extension Request for Greenfield Subdivision approval to subdivide 8.36^{7.4} acres into 14 residential lots, and dedication of 3.7 acres to Uvas Creek Preserve, located at the northerly end of Greenfield Drive, APN 808-20-008, Applicant James Suner (TM 16-02).

There were no specific health or safety concerns identified with the original approval. There have been no material changes to the project site, conditions, or state or federal laws that would warrant denial or revised conditions.

This first request would extend approval through November 30, 2023. During this time, the applicant would need to pursue the process for recordation of a final map. The applicant may also request an additional 12-month extension prior to the new expiration date.

Housing Accountability Act:

In addition to the above, it is worth noting that since implementation of the Housing Accountability Act in 1982, the intent of the law is to promote housing development in response to the dire housing crisis in California. As a result, the State laws limit the ability of local government to deny any new housing development. Government Code Section 65589.5(j) states that a “proposed housing development project cannot be denied if it complies with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time that the housing development project’s application is determined to be complete.”

In 2018, the original project was deemed complete and approved by City Council with conditions of approval. The requested time extension considers the housing project to be complete based on the fact that the development complies with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards. At this time, the applicant proposes no changes to the approved project and conditions of approval.

ALTERNATIVES

The City Council may deny the time extension. In this case, the City Council would need to make the necessary findings to deny a tentative map. Staff does not recommend this option.

FISCAL IMPACT/FUNDING SOURCE

No fiscal impacts are associated with this request for Council’s consideration and determination. Collection of fees (as established by the City Council) for subsequent review of the final map and improvement plans is adequate to cover the necessary resources.

PUBLIC OUTREACH

Extensions are legislative actions that do not require notice and hearing.

NEXT STEPS

Tentative Map Time Extension Request for Greenfield Subdivision approval to subdivide 8.36^{7.4} acres into 14 residential lots, and dedication of 3.7 acres to Uvas Creek Preserve, located at the northerly end of Greenfield Drive, APN 808-20-008, Applicant James Suner (TM 16-02).

Upon grant of the extension request, the applicant may proceed with initiation of the final map process.

Attachments:

1. Vicinity Map
2. Time Extension Request
3. City Council Resolution No. 2018-44 (TM16-02 Approval)
4. Approved Tentative Parcel Map TM 16-02
5. Draft Resolution to Approve TM 16-02 Extension No. 1



FIGURE 2.0-3

AERIAL PHOTOGRAPH AND SURROUNDING LAND USES

City of Gilroy Planning Department

November 29th, 2022

7351 Hanna Street

Gilroy CA, 95020

RECEIVED

NOV 29 2022

PLANNING

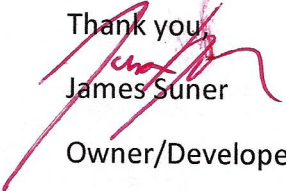
RE: Request for first extension of Tentative Map # 16-02

To whom it may concern:

We are formally requesting an extension of TM #16-02 for 12 months to allow processing of the final map and improvement plans.

Please contact me directly if you need additional information and notify me when it is agendaized for the City Council.

Thank you,



James Suner

Owner/Developer

Jamessuner@gmail.com

408-607-0777



City of Gilroy
 COMMUNITY DEVELOPMENT DEPARTMENT
 PLANNING DIVISION
 7351 Rosanna Street, Gilroy CA 95020
 (408) 846-0440, main • (408) 846-0429, fax
 www.cityofgilroy.org/planning

File # _____

Encompass # _____

PLANNING APPLICATION

If you require accommodations or assistance to complete this application, due to a disability as defined by the Americans with Disabilities Act, please notify City staff.

1. TYPE OF APPLICATION

- | | | |
|--|--|---|
| ☐ Annexation
☐ Architectural/Site Remodel
☐ Architectural/Site Review
☐ Conditional Use Permit
☐ Development Agreement
☐ General Plan Amendment | ☐ Home Occupation Appeal
☐ Minor Deviation
☐ Minor Modification
☐ Performance Agreement Review
☐ Planned Unit Development
☐ RDO Competition
☐ RDO Housing Exemption | ☐ Reasonable Accommodation
☒ Tentative Map
☒ Time Extension
☐ Urban Service Area Amendment
☐ Variance
☐ Zoning Amendment/Zone Change (circle)
☐ Other: _____ |
|--|--|---|

2. SUBJECT PROPERTY INFORMATION

Address/Location 6482 Greenfield Drive APN(s) 80820008
 Size (SF/acres) 8.5 Existing Use(s) Construction Site
 Zoning R1 General Plan LDR Is property under Williamson Act Contract? Yes ☐ No ☒

3. DEVELOPMENT PROPOSAL INFORMATION (attach additional pages if needed)

Detailed project description Extension of previously approved TM#16-06

Retail Square Footage _____ Office Square Footage _____ Industrial Square Footage _____

Total # market-rate units: _____ Single Family _____ Condominium/Townhouse _____ Apartments _____

Total # affordable units: _____ Single Family _____ Condominium/Townhouse _____ Apartments _____

Is the property a Historic Site? Yes ☐ No ☐ Is the site located in a Historic District? Yes ☐ No ☐

Does this proposal include a RDO (Residential Development Ordinance) request under Gilroy City Code Section 30.50.60(b)(2)(j) or (l)? If so, please clarify the category and number of RDO units requested:

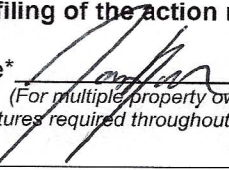
4. PROPERTY OWNER INFORMATION (Signature required unless lawful power of attorney provided.)

Name/Title The Suner Corp, James Suner E-mail Jamessuner@gmail.com

Address 200 Winchester Circle, Suite G23, Los Gatos CA 95032

Home/Office Phone _____ Cell Phone 4086070777

I hereby certify that I am the owner of record of the subject property(ies) described in this application and that I consent to the filing of the action requested herein. All property owners of record must sign the application.

Owner Signature* Date 11-30-22

(For multiple property owners, use additional signature blocks, below.)

*Original (wet) signatures required throughout this application form. Copies will not be accepted.

p. 55 of 530

5. APPLICANT AND DESIGNATED AGENT (Attorney-In-Fact) Designation is required for all applications.

I, _____ (Property Owner), hereby designate _____ (agent) as the Applicant and Attorney-in-Fact for the Property Owner for all purposes of processing this application with the City of Gilroy. As the Attorney-in-Fact, this primary contact person serves as the designated agent responsible for project negotiations with the City, and will coordinate all information with the applicant team.

Owner Signature* _____
(For multiple property owners, use additional signature blocks, below.)

Applicant Primary Contact/Designated Agent (Attorney-in-Fact)

Name/Title _____ E-mail _____

Address _____

Home/Office Phone _____ Cell Phone _____

Signature* _____ Date _____

6. REIMBURSEMENT ACKNOWLEDGEMENT AND AGREEMENT

I, James Suner, the undersigned hereby authorize the City of Gilroy to process the above-referenced permit application(s) in accordance with fees established by the City Council, which are amended from time to time. I am depositing an initial amount of \$ 2005.32 to pay for City staff review, coordination and processing costs, including necessary technical, consultant and/or attorney services. In making this deposit, I acknowledge and understand that the deposit may only cover a portion of the total processing costs. Actual costs for staff time are based on hourly rates, which I understand are in the most current fee schedule. I also understand that these costs apply even if the application is withdrawn, not approved, or abandoned pursuant to Gilroy City Code Section 30.51.10(e). I acknowledge and agree to the following terms and conditions expected for full reimbursement, as follows:

- Staff time includes (but is not limited to) time spent by all City of Gilroy staff members, the City Attorney and/or their consultants necessary to process and enforce land use entitlements associated with the Subject Property, identified above.
- I am responsible for all charges associated with processing the land use applications requested. If final costs or processing costs exceed the available deposit, I will receive notification of additional funding, which is payable upon receipt of such notice or invoice, for continued permit processing.
- If I fail to pay invoices within 30 days of billing, the City may either stop processing my permit application(s), or after conducting a hearing, deny my permit request altogether.
- Fees are due and payable within 30 days of notification and/or invoicing, and payment of fees must be current prior to scheduling a hearing or decision.

Owner (signature)* _____ Date 11/30/22

Owner (print name) James Suner Title (if any) President, Suner Corp

7. Hazardous Waste and Substances Statement (Required by Section 65962.5(f) of the CA Government Code)

Prior to accepting any application for a development project, the City of Gilroy must receive, from the applicant, a signed statement indicating whether or not the project site is identified on the State of California Hazardous Waste and Substances Sites List. This list identifies known sites that have been subject to releases of hazardous chemicals, and is available at <http://www.calepa.ca.gov/SiteCleanup/CorteseList/>. Check the appropriate box, below, and provide any applicable information. I, the undersigned, have consulted the CalEPA lists and can state the development project and any alternatives proposed in this application:

☒ is/are NOT contained on the lists compiled pursuant to Government Code Section 65962.5.

☐ is/are contained on the lists compiled pursuant to Government Code Section 65962.5.

If yes, provide Regulatory Identification Number _____ Date of List: _____

Owner (signature)* _____ Date _____

Owner (print name) _____ Title (if any) _____

8. Additional Property Owners (To be completed by each property owner of record.)

Assessor's Parcel Number(s) _____

Name _____

Address _____

Office Phone _____ Cell Phone _____

I hereby certify that I am the owner of record of the subject property(ies) described in this application and that I consent to the filing of the action requested herein.

Signature* _____ Date _____

Assessor's Parcel Number(s) _____

Name _____

Address _____

Office Phone _____ Cell Phone _____

I hereby certify that I am the owner of record of the subject property(ies) described in this application and that I consent to the filing of the action requested herein.

Signature* _____ Date _____

Assessor's Parcel Number(s) _____

Name _____ E-mail _____

Address _____

Office Phone _____ Cell Phone _____

I hereby certify that I am the owner of record of the subject property(ies) described in this application and that I consent to the filing of the action requested herein.Signature* _____ Date 11/30/22

Assessor's Parcel Number(s) _____

Name _____ E-mail _____

Address _____

Office Phone _____ Cell Phone _____

I hereby certify that I am the owner of record of the subject property(ies) described in this application and that I consent to the filing of the action requested herein.

Signature* _____ Date _____

PLANNING DIVISION USE ONLY

Date Filed: _____ Fees: _____ Received by: _____

Notes/Comments _____



JP Parker
Title Officer

Stewart Title of California, Inc.
2850 Cordelia-#100
Fairfield, CA 94534
Phone:
Fax:
James.Parker@stewart.com

PRELIMINARY REPORT

Order No.: 1752149

Your File No.:

Buyer/Borrower Name: The James Group, a California corporation

Seller Name:

Property Address: 00000 Thomas Lane, Gilroy, CA 95020

In response to the above referenced application for a Policy of Title Insurance, Stewart Title of California, Inc. hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Stewart Title Guaranty Company Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referenced to as an Exception on Schedule B or not excluded from coverage pursuant to the printed Schedules, Conditions, and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on covered Risks of said policy or policies are set forth in Exhibit A attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limits of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report, (and any supplements or amendments thereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance a binder or commitment should be requested.

Dated as of June 21, 2022 at 7:30AM	
-------------------------------------	--

When replying, please contact: Julie Whelan, Escrow Officer

Stewart Title of California, Inc.
870 Tennant Station
Morgan Hill, CA 95037

Julie.Whelan@stewart.com

IF ANY DECLARATION, GOVERNING DOCUMENT (FOR EXAMPLE, COVENANT, CONDITION OR RESTRICTION) OR DEED IDENTIFIED AND/OR LINKED IN THIS TITLE PRODUCT CONTAINS ANY RESTRICTION BASED ON AGE, RACE COLOR, RELIGION, SEX, GENDER, GENDER IDENTITY, GENDER EXPRESSION, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, VETERAN OR MILITARY STATUS, GENETIC INFORMATION, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (p) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE BY SUBMITTING A "RESTRICTIVE COVENANT MODIFICATION" FORM, TOGETHER WITH A COPY OF THE ATTACHED DOCUMENT WITH THE UNLAWFUL PROVISION REDACTED TO THE COUNTY RECORDER'S OFFICE. THE "RESTRICTIVE COVENANT MODIFICATION" FORM CAN BE OBTAINED FROM THE COUNTY RECORDER'S OFFICE AND MAY BE AVAILABLE ON ITS WEBSITE. THE FORM MAY ALSO BE AVAILABLE FROM THE PARTY THAT PROVIDED YOU WITH THIS DOCUMENT. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

PRELIMINARY REPORT

The form of Policy of Title Insurance contemplated by this report is:

- ☒ Standard Coverage Owner's Policy
- ☐ Extended Coverage Owner's Policy
- ☐ CLTA/ALTA Homeowners Policy
- ☒ Standard Coverage Loan Policy
- ☐ Extended Coverage Loan Policy
- ☐ Short Form Residential Loan Policy
- ☐

SCHEDULE A

The estate or interest in the land hereinafter described or referred to covered by this report is:

A Fee as to Parcels One and Two; An Easement as to Parcel Three A Fee as to parcels One and Two;
An Easement as to Parcel Three

Title to said estate or interest at the date hereof is vested in:

The Suner Corporation DBA The James Group, a California Corporation

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Santa Clara, City of Gilroy and described as follows:

Parcel One:

Being a portion of Lot 13, as shown on Map entitled, "Massey Thomas, Sr., Subdivision in Las Animas Ranch Lot 15", which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, in Book "G" of Maps, at Page 59, and being more particularly described as follows:

Beginning at an iron pipe in the Westerly line of Lot 13, as shown on said Map, distant thereon North 254.90 feet from the corner common to Lots 13 and 14, and running thence along said Westerly line, North 195.07 feet to an iron pipe; thence East 190.00 feet to an iron pipe; thence South 14°22'40" East, 201.38 feet to an iron pipe; thence West 240.00 feet to the point of beginning.

Parcel Two:

Being a portion of Lot 13, as shown on Map entitled, "Massey Thomas Sr. Subdivision in Las Animas Ranch Lot 15", which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, in Book "G" of Maps, at Page 59, and being more particularly described as follows:

Beginning at the most Northwesterly corner of Lot 13, in the bed of the Carnadero Creek, as shown on said Map, and running thence along the Westerly line of Lot 13, South 837.02 feet to the Northwesterly corner of that certain 0.963 acre parcel of land described in the deed from James W. Kelley, et al, to J. C. Bunning, dated November 30, 1956 and recorded in Book 3677 Official Records, Page 372; thence along the Northerly line thereof East 190.00 feet to an iron pipe; thence along the Easterly line thereof South 14°22'40" East 201.38 feet to an iron pipe; thence along the Southerly line thereof West 75.35 feet to an iron pipe; thence leaving said 0.963 acre parcel South 81°01' East 117.94 feet; thence North 2°19' East 275.85 feet to an iron pipe; thence North 34°56' East 514.88 feet to a point in the Northeasterly line of said Lot 13 in the bed of Carnadero Creek (back 74.42 feet on this course is an iron witness pipe on the Southerly bank of said Creek); thence along the Northeasterly line of Lot 13, North 59°00' West 684.87 feet to the point of beginning.

Parcel Three:

Temporary Easement for ingress, egress, water and sewer pipe lines as conveyed by that certain agreement recorded December 21, 1987 in Book K397 Official Records, Page 644.

APN: 808-20-008

(End of Legal Description)

MAP

THE MAP CONNECTED HERewith IS BEING PROVIDED AS A COURTESY AND FOR INFORMATIONAL PURPOSES ONLY; THIS MAP SHOULD NOT BE RELIED UPON. FURTHERMORE, THE PARCELS SET OUT ON THIS MAP MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES. STEWART ASSUMES NO LIABILITY, RESPONSIBILITY OR INDEMNIFICATION RELATED TO THE MAPS NOR ANY MATTERS CONCERNING THE CONTENTS OF OR ACCURACY OF THE MAP.

SCHEDULE B

At the date hereof, exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy or policies would be as follows:

Taxes:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes, to be levied for the fiscal year 2022 - 2023.
- B. Prior to recording, the final amount due for taxes must be confirmed with tax collector.
- C. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the revenue and taxation code of the State of California.
- D. Taxes and/or assessments affecting the land, if any, for Community Facility Districts including Mello Roos Districts which may exist by virtue of assessment maps or notices filed by said districts. Said taxes and/or assessments are typically collected with the County taxes; however, some districts may remove these taxes and/or assessment from the County taxes and assess and collect them separately.
- E. Notice of special tax authorization recorded June 24, 2005 as Instrument No. 18438576 of Official Records.

Exceptions:

- 1. Taxes or assessments which are not shown as existing liens by the records of the taxing authority that levies taxes or assessments on real property or by the public records.

Proceeding by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- 2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
- 3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or other facts which a correct survey would disclose, and which are not shown by the public records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
- 6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.
- 7. Water rights, claims or title to water in or under the property, whether or not shown by the public records.
- 8. Ownership of, or rights to, minerals or other substances, subsurface and surface, of whatsoever kind, including, but not limited to coal, ores, metals, lignite, oil, gas, geothermal resources, brine, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the

Land, together with all rights, privileges, and immunities relating thereto, whether the ownership or rights arise by lease, grant, exception, conveyance, reservation or otherwise, and whether or not appearing in the Public Records or listed in Schedule B. Stewart Title Guaranty Company and its issuing agent make no representation as to the present ownership of any such interests. There may be leases, grants, exceptions, or reservations of interests that are not listed.

9. The effect of a map purporting to show the land and other property, filed in Book 725, Page 39, Map filed on March 20, 2000 of Record of Surveys.
10. Any interests (including rights of the public) in and to any portion of the property lying within roads, streets, alleys or highways.
11. Matters as shown on the Map of Massey Thomas, Sr., Subdivision in Las Animas Ranch Lot 15, filed in Book G, Page 59 of Maps, together with any provisions and recitals contained therein.
12. Any adverse claim based upon the assertion that some portion of said land is tide or submerged lands, or has been created by artificial means or has accreted to such portion so created.
13. Any claim based upon the assertion that some portion of the Land:
 - a. is tidal or submerged, or has been created by artificial means, or has accreted to the created portions; or
 - b. has been brought within its boundaries by an avulsive movement that occurred in the river or slough known as Carnadero Creek.
14. Any rights in favor of the public which may exist when the Land or any portion of the Land was used by the public.
15. Rights and easements for commerce, navigation, and fishery which may exist over that portion of the Land lying beneath the waters known as Carnadero Creek.
16. Matters contained in a document entitled "Agreement of Grant of Temporary Easement and Termination of Existing Easements", recorded December 21, 1987, as Instrument No. 9545871 in Book K397 Page 644, of Official Records.
17. Easement and rights incidental thereto for water management and/or storm water drainage, as set forth in a document recorded July 9, 1990, as Instrument No. 10581016 in Book L410 Page 2236, of Official Records.
18. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount	: \$700,000.00
Trustor	: The Suner Corporation DBA the James Group, a California Corporation
Trustee	: First American Title Insurance Company, a Nebraska Corporation
Beneficiary	: First Assembly of God of Gilroy, Inc. a California Corporation
Recorded	: February 11, 2022, as <u>Instrument No. 25238788</u> , of Official Records

To avoid delays in recording, you must submit the following documents for review and approval:

- (a) the original note.
- (b) the original deed of trust.
- (c) the request for reconveyance.
- (d) a final payoff demand executed by the record beneficiary(ies).
 - (i) if the beneficiary(ies) is a trust, you must provide a full copy of the trust and any amendments thereto, and all trustees must sign the payoff demand. In certain situations, you may be permitted to provide the STG Certification of Trust.
 - (ii) if a servicing agent prepares the demand on behalf of the beneficiary(ies), you must provide a full copy of the servicing agreement and the beneficiary(ies) must still sign and approve the payoff demand.

Please contact your title officer to discuss the above requirements.

The right is reserved to add requirements or additional items after completion of such review.

19. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount : \$550,000.00
 Trustor : The Suner Corporation, a California Corporation
 Trustee : Jeffry P. Tone, an individual
 Beneficiary : Hecker Pass Plaza Investors, a California limited partnership and
 Maxima Realty Group, a California Corporation
 Recorded : March 29, 2022, as Instrument No. 25270993, of Official Records.

To avoid delays in recording, you must submit the following documents for review and approval:

- (a) the original note.
- (b) the original deed of trust.
- (c) the request for reconveyance.
- (d) a final payoff demand executed by the record beneficiary(ies).
 - (i) if the beneficiary(ies) is a trust, you must provide a full copy of the trust and any amendments thereto, and all trustees must sign the payoff demand. In certain situations, you may be permitted to provide the STG Certification of Trust.
 - (ii) if a servicing agent prepares the demand on behalf of the beneficiary(ies), you must provide a full copy of the servicing agreement and the beneficiary(ies) must still sign and approve the payoff demand.

Please contact your title officer to discuss the above requirements.

The right is reserved to add requirements or additional items after completion of such review.

20. In order to insure a conveyance, acquisition or encumbrance by the corporation or unincorporated association named below you must provide the following:
 Entity: The Suner Corporation dba The James Group, a California Corporation
- (a) A copy of the corporation By-Laws or Articles.
 - (b) An original or certified copy of the Resolution authorizing the subject transaction.
 - (c) If the By-Laws or Articles require approval by a "parent" organization, a copy of that entities' By-Laws or Articles.
 - (d) If an unincorporated association, a statement pursuant to applicable law (such as California Corporation Code Section 20002).
- Additional requirements or items may be requested upon review of the required documents set forth above,
21. Any facts, rights, interests or claims which would be disclosed by an inspection of the land.
22. Rights of parties in possession whether or not recorded in the public record.
23. Rights of tenants in possession whether or not recorded in the public records.
24. To assist in the clarifying, confirming and eliminating certain title matters, provide to Stewart Title, prior to recording, a completed Statement of Information for all identified and known Sellers/Owners in this transaction.
25. US Code Title 31-Sec 5326 authorizes the U.S Department of Treasury to collect information about certain transaction as specified in various geographic targeting orders for the purpose of preventing evasion of the Bank Secrecy Act. As a result of a Geographic Targeting Order ("GTO") issued by the United States Department of Treasury, Financial Crimes Enforcement Network ("FinCEN"), this transaction may be responsive to the requirements of the GTO. If the buyer(s) is an entity purchasing property located in Los Angeles, San Diego, San Francisco, San Mateo and Santa Clara counties without financing through an institutional lender, buyer(s) will be asked to complete and provide information on the ALTA 2018 Information Collection

Form. Upon review, additional exceptions and/or requirements may be raised; please contact the title unit for further information.

(End of Exceptions)

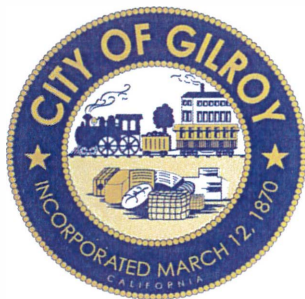
NOTES AND REQUIREMENTS

- A. Property taxes for the fiscal year 2021 - 2022 shown below are paid. For proration purposes the amounts are:
- | | |
|------------------------|--------------|
| 1st Installment | : \$1,549.15 |
| 2nd Installment | : \$1,549.15 |
| Parcel No. | : 808-20-008 |
| Code Area / Tracer No. | : 002-001 |
- B. The only conveyance affecting said land, which is shown in the public records within 24 months of the date of this report is
- First Assembly of God Gilroy, Inc., as Grantor and The Suner Corporation DBA the James Group, a California Corporation, as Grantee, recorded: February 11, 2022, as Instrument No. 25238787, of Official Records
- C. If an Owners Policy will be requested, please be aware that unless instructed otherwise, we will issue a CLTA Standard Coverage Owners Policy. If a different form of policy is contemplated for this transaction, please advise and contact your title officer for additional requirements.
- D. All Transactions - Seller(s) and Buyer(s) or Borrowers are provided as attachments Stewart Title's document entitled "Acknowledgement of Receipt, Understanding and Approval of STG Privacy Notice for Stewart Title Companies and Stewart's Affiliated Business Arrangement Disclosure Statement" along with those individually named documents for your review and acknowledgment prior to closing.
- E. All Transactions - Buyer(s)/Seller(s)/Borrower(s) are provided Stewart Title's Preliminary report for review and acknowledgment prior to closing. Buyer(s) approval to include the Preliminary Report items that remain as exceptions to the title policy.
- F. All Transactions-Seller(s)/Owner (s) are provided Stewart Title's Owner's Affidavit and Indemnity for completion prior to closing.

CALIFORNIA "GOOD FUNDS" LAW

California Insurance Code Section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds received by Stewart Title of California, Inc. via wire transfer may be disbursed upon receipt. Funds received via cashier's checks or teller checks drawn on a California Bank may be disbursed on the next business day after the day of deposit. If funds are received by any other means, recording and/or disbursement may be delayed, and you should contact your title or escrow officer. All escrow and sub-escrow funds received will be deposited with other escrow funds in one or more non-interest bearing escrow accounts in a financial institution selected by Stewart Title of California, Inc.. Stewart Title of California, Inc. may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and Stewart Title of California, Inc. shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by Stewart Title of California, Inc.. Such benefits shall be deemed additional compensation to Stewart Title of California, Inc. for its services in connection with the escrow or sub-escrow.

If any check submitted is dishonored upon presentation for payment, you are authorized to notify all principals and/or their respective agents of such nonpayment.



Community Development Department

Kristi A. Abrams
DIRECTOR

7351 Rosanna Street, Gilroy, California 95020-6197
Telephone: (408) 846-0451 Fax: (408) 846-0429
<http://www.cityofgilroy.org>

November 16, 2018

James Suner
The James Group
2201 Columbine Court
Gilroy, CA 95020

Copy to:
Malcolm McPhail, Lead Pastor
New Hope Community Church
8886 Muraoka Drive
Gilroy, CA 95020

SUBJECT: Notice of Final Action (CC Resolution 2018-44)
TM16-02 (# 16050031), Greenfield 14-Lot Residential Subdivision Project
Located on 8.36 acres at the end of Greenfield Drive (APN: 808-20-008).

Mr. Suner:

This letter is to confirm that on November 5, 2018, the City Council took action to approve TM16-02 for a 14 lot subdivision on the subject property. The official decision documentation City Council Resolution 2018-44 is attached for your records, which contains the conditions of project approval and identifies any subsequent required permits. Pursuant to the state map act, approval TM16-02 provides 24 months (November 5, 2020) for the final map or an extension of time request to be filed. In addition, the statutory period for challenging the CEQA environmental determination will end 30 days from the date that the Notice of Determination has been filed with the County Recorder's office.

Should you have any questions about this letter or the permitting process, please feel free to contact me at kraig.tambornini@cityofgilroy.org or (408) 846-0214.

Respectfully,


Kraig Tambornini
Senior Planner

RESOLUTION 2018-44**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY ADOPTING A MITIGATED NEGATIVE DECLARATION AND APPROVING TENTATIVE MAP TM 16-02, CREATING 14 SINGLE-FAMILY RESIDENTIAL LOTS, TWO COMMON PARCELS, ONE PUBLIC PARK PARCEL, LOCATED AT THE NORTHERLY TERMINUS OF GREENFIELD DRIVE AND SOUTH OF UVAS CREEK, APN 808-20-008, FILED BY JAMES SUNER**

WHEREAS, James Suner submitted an application requesting tentative map approval to subdivide an 8.36 acre site into 14 single-family lots, two common lots containing private roadways and stormwater detention, a 3.7 acre public park parcel to be dedicated as an extension of Uvas Creek Park Preserve open space, and associated public and private improvements within the R1 single-family zone district; and

WHEREAS, the subject property is located at the northern end of Greenfield Drive, south of Uvas Creek, east of Las Animas Elementary School/Glen Loma Ranch Specific Plan Area development, and east of Villagio residential development (Assessor's Parcel Number 808-20-008); and

WHEREAS, the tentative map application was referred to various public utility companies and City departments, including the Technical Advisory Committee for recommendations; and

WHEREAS, the Planning Commission held a duly noticed public hearing on the TM 16-02 on June 7, 2016, at which public hearing the Planning Commission considered the proposed project, staff report, public comments and testimony, and all other documentation or other evidence received on the project; and

WHEREAS, the Planning Commission found that the project substantially conforms to the intent of the Gilroy General Plan and elements thereof, the Gilroy City Code, and all applicable standards and criteria, and on voted 6-0 (1 absence) to recommend the project to the City Council; and

WHEREAS, a mitigated negative declaration (MND) was completed for the project and made available for a 30-day public review period on July 27, 2018, in compliance with the requirements of the California Environmental Quality Act, and mitigation measures have been identified sufficient to address the environmental effects of the proposed project; and

WHEREAS, a mitigation monitoring and reporting plan has been prepared, consistent with the MND; and

WHEREAS, the City Council held a duly noticed public hearing on October 15, 2018, and considered the public testimony, the Planning Commission recommendation, the City Council Staff Report, and all other documentation related to application TM 16-02; and

WHEREAS, the City Council continued the matter to November 5, 2018, with direction given to staff to meet with the applicant, and submit a resolution with revised conditions of approval reflecting recommendations of the City Council; and

WHEREAS, using its independent judgement, and analysis based on deliberation and consideration of the materials presented at the public hearings, including public testimony received, the City Council concludes the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program prepared for TM 16-02 adequately assesses all potential environmental impacts of the project, mitigating potential impacts to a less than significant level, and that the project as proposed and conditioned conforms to the City's General Plan and elements thereof, the Gilroy City Code and all applicable standards and criteria. Further, the City of Gilroy Community Development Department is the custodian for all documents pertaining to the FMND, including its adoption, and the project.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Gilroy does hereby make findings required by the California Environmental Quality Act, the Gilroy City Code and the State Subdivision Map Act Section 66474 and take action to adopt the Mitigating Negative Declaration and approving TM 16-02, as follows:

SECTION I – CEQA Findings

1. Based upon the Record, the submissions by the Project Sponsor(s), the information in the staff report and provided from other interested parties, the oral testimony presented at this public hearing, and all other written materials submitted by all parties, the City Council hereby finds that the contents of Mitigated Negative Declaration (MND) and the procedures through which the MND was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (CEQA). 14 California Code of Regulations Sections 15000 et seq. (the “CEQA Guidelines”).
2. The City Council further finds that the MND is adequate, accurate and objective, reflected the independent analysis and judgment of the City Council, and that the summary of comments and responses contained no significant revisions to the Draft Initial Study/Mitigated Negative Declaration (IS/MND), and adopts the MND for the Project in compliance with CEQA.
3. The City Council has reviewed and considered the IS/MND and the record as a whole and finds that there is no substantial evidence that the Project will have a significant effect on the environment with the adoption of the mitigation measures contained in the mitigation monitoring and reporting

program (MMRP) to avoid potentially significant environmental effects associated with the Project, and hereby adopts the MND.

4. The City Council hereby adopts the Mitigation Monitoring and Reporting Program for the project, incorporated herein. All required mitigation measures identified in the IS/MND and contained in the MMRP are included as conditions of approval.
5. The City Council further finds that since the MND was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the MND due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the MND.

SECTION II – Tentative Map Findings

1. The subdivision request TM 16-02, including the design and improvement of the subdivision, would be substantially consistent with all applicable City of Gilroy General Plan goals, objectives, policies and programs, including the low density residential land use designation given that the project, as proposed and conditioned, would:
 - a. Promote infill residential development in an area designated for this type of use and that would be compatible with the existing adjacent single-family residential neighborhoods, near parks and schools, and would protect natural resources, which would be consistent with the Strategic Direction Chapter;
 - b. Avoid encroachment into open space areas and provides a net density of 3 units per acre within remaining buildable areas of the site, after dedication of 3.7 acres of land for public park and open space, which would be substantially consistent with Community Design Chapter Policies 1.01, 1.05, 1.09;
 - c. Dedicate public land for the Uvas Creek Park Preserve open space, which would include extension of planned bicycle trails (consistent with the adopted 1992 Uvas Creek Park Preserve Plan, the 2002 Park & Recreation System Master Plan and the 2005 Gilroy Trails Master Plan), which would be in substantial compliance with Public Facilities and Services Chapter policies 16.02, 16.04, 16.05, 16.12, and 16.14; and
 - d. Avoid and protect sensitive open space habitat along Uvas Creek by providing a setback of 150 feet from top of creek bank, satisfying the minimum setback of 100 feet from top of bank and 35 feet setback from the edge of riparian habitat to the parcels, consistent with Community

Resources Chapter policies 20.01, 20.02, 20.03, 20.06, 20.07, 20.08 and Action 20.B.

- e. The site is not covered by a specific plan document, thus no findings for consistency are required for this criteria to comply with the State Subdivision Map Act. However, right of way access to the site would be extended through a small corner of City open space property within the U Ranch Specific Plan area. This acquisition is minimal and would not materially impact the value, use or access for this existing open space amenity.
2. The site is physically suited for the proposed development type and density given that the site contains 4.66 acres of building area upland from portions of the property within the Uvas Creek Park Preserve riparian corridor open space, which can accommodate a net density of 3 units per acre. Further, all proposed residential lots would be located upland of the flood plain along Uvas Creek, grading would be implemented in accordance with standard engineering practices and there are no unusual soils conditions associated with the site that would preclude use of fill for development, and public utilities and infrastructure improvements needed in order to serve TM 16-01 are in close proximity, at the existing terminus of Greenfield Drive.
3. TM 16-01 is consistent with the Gilroy City Code Zoning Ordinance including the R1 District Standards, the Subdivision and Land Development Code, the State Subdivision Map Act, and all City ordinances, policies and standards in effect as of the date the application was accepted as complete for processing on July 12, 2017, given that the development promotes single-family residential development with minimum 6,600 square foot lots sizes, improvements would comply with adopted City Engineering Standards and Specifications for minimum 36 foot wide minimum paved private roadway width, public utility easements, street trees, lighting, utility infrastructure, drainage and stormwater management, and flood control, and interim residential dwelling unit allocations were been granted for the project on May 17, 2016 and have not expired .
4. The subdivision design and improvements would not result in environmental damage or injure fish or wildlife or their habitat, as identified in the MND, given that all significant environmental impacts associated with the project have been identified and would be mitigated to a less than significant level.
5. The design of the applicant agrees with the necessity of and accepts all elements, requirements, and conditions of this resolution as being a reasonable manner of preserving, protecting, providing for, and fostering the health, safety, and welfare of the citizenry in general and the persons who work, visit or live in this subdivision in particular.

6. The subdivision design and improvements will not conflict with easements acquired by the public at larger for access through or use of the property within the proposed subdivision as follows:
 - a. As proposed an easement for Santa Clara Valley Water District shall be preserved and maintained within the proposed Parcel A dedication.
 - b. As proposed and conditioned, the development would complete public trails through the site, connect the trails with the proposed development and adjacent developments to the east and west.
 - c. As conditioned, would provide public access through the development along the proposed private roadway and sidewalks.
 - d. As conditioned, the developer would acquire access across 0.2 acres of land owned by Glen Loma Ranch as public open space, for additional road right of way as necessary to extend Greenfield Drive into the property. This acquisition for roadway access is minimal and necessary to provide suitable access for development of the site consistent with the General Plan, and would not conflict with nor materially diminish the use these affected public open space lands.
7. The development is adjacent to wildlife vegetation and requires additional findings to be made pursuant to the Subdivision Map Act for properties within wildland urban interface areas. As conditioned by the Fire Department, the findings for approval of development in wildland urban interface areas would be satisfied as follows:
 - a. The project would be required to comply with vegetation management requirements for property within potential fire hazard areas. This would include ongoing specific vegetation management practices that would be enforced by the City and made the responsibility of the property owners and homeowners association for private open space vegetation of Lots 9-14, and the City for the Uvas Creek Park Preserve open space. Based on the proposed plans and conditions, the project would be consistent with the fire safety regulations adopted by the State and City Fire Department pursuant to Public Resources Code Sections 4290 and 4291.
 - b. Adequate fire suppression services would be available to the area based on the provision of adequate access roads and fire hydrants that would be installed to serve the project.
 - c. Ingress and egress is provided for the subdivision that meets minimum standards for 20 foot wide paved roadway, grades not exceeding 15 percent, and adequate turning radius provided for maneuverability through the development.
8. As proposed and conditioned, the project would comply with all ordinances, policies and standards in effect as of June 2017 (when the project application

was accepted as complete, as well as any standards adopted by the state for the purpose of protecting public health and safety.

SECTION II - Actions

1. The City Council hereby adopts the Mitigated Negative Declaration and the mitigation monitoring and reporting program prepared for TM 16-02 Greenfield Drive 14 Lot Residential Subdivision project.
2. The City Council hereby approves TM 16-02, subject to the conditions of approval set forth in Exhibit "A" attached hereto.

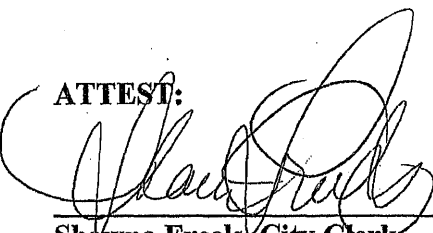
PASSED AND ADOPTED this 5th day of November, 2018, by the following roll call vote:

AYES: COUNCILMEMBERS: BLANKLEY, BRACCO, HARNEY, LEROE-MUÑOZ, TOVAR, TUCKER and VELASCO

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: NONE

ATTEST:


Shawna Freels, City Clerk

APPROVED:

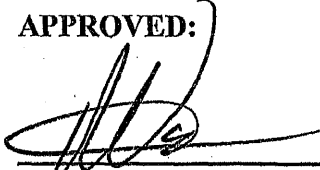

Roland Velasco, Mayor

EXHIBIT A**CONDITIONS OF APPROVAL**
TM 16-02

Note: The following abbreviations identify the City department or division responsible for determining compliance with these conditions. The first group listed has responsibility for compliance at plan check, the second confirms compliance with the condition at final inspection, prior to final occupancy or issuance of a certificate of occupancy, or as specified in the condition. If only one group is identified, they have responsibilities from initial review through compliance verification. An internal condition reference number is located at the end of each condition (e.g. G-1 or MND-S2).

RESPONSIBLE DEPARTMENTS/DIVISIONS			
BL	Building Division/Inspectors	PK	Parks/Landscape Design
CA	City Attorney	PL	Planning Division
CC	Chemical Control Agency	PW	Public Works/Engineering
FP	Fire Prevention	TR	Traffic Division
PD	Police Department	WW	Wastewater/Source Control

GENERAL PROJECT CONDITIONS

1. **Approved Plans.** Approval of Tentative Map TM16-02 is granted for approved plans stamped as "Approved on **November 5, 2018**" ("the plans") on file with the Planning Division. Build-out of the project shall conform to the plans, except as otherwise specified in these conditions. Any future adjustment or modification to the plans shall be considered by the Community Development Director or designee, may require separate discretionary approval, and shall conform to all City, State, and Federal requirements, including subsequent City Code requirements or policies adopted by City Council. (PL, G-1)
2. **Developer.** Developer means permit applicant, property owner, operator, permittee, lessee, and/or tenants using the space(s) for the intended use(s). Developer shall comply with project conditions for the life of the project. (CA, G-2)
3. **Indemnification Agreement.** Developer agrees, as a condition of permit approval, at Developer's own expense, to defend, indemnify, and hold harmless the City of Gilroy ("the City") and its officers, contractors, consultants, attorneys, employees and agents from any and all claim(s), action(s) or proceeding(s) brought against the City or its officers, contractors, consultants, attorneys, employees, or agents to challenge, attack, set aside, void or annul the approval of this resolution or any condition attached thereto or any proceedings, acts or determinations taken, including actions taken under the California Environmental Quality Act of 1970, as

amended, done or made prior to the approval of such resolution that were part of the approval process. (CA, G-3)

4. **Acceptance of Conditions.** Failure to appeal this decision in a timely manner, or commencement of any activity related to the project, in understood to clarify Developer's acceptance of all conditions and obligations imposed by this permit and waiving any challenge to the validity of the conditions and obligations stated herein. (CA, G4)
5. **Covenants and Restrictions.** Any covenants, conditions, and restrictions (CC&Rs) applicable to the project property shall be consistent with the terms of this permit and the City Code. If there is a conflict between the CC&Rs and the City Code or this permit, the City Code or this permit shall prevail. (PL/CA, G-11)
6. **Enforcement Action.** If Developer, owner or tenant fails to comply with any of the conditions of this permit, the Developer, owner or tenant shall be subject revocation or other appropriate enforcement actions pursuant to the City Code. All costs associated with any such actions shall be the responsibility of Developer, owner or tenant. (CA, G-7)
7. **Occupancy Restriction.** Prior to occupancy of residential units and/or acceptance of the subdivision tract, Developer shall complete all required offsite and onsite improvements related to the project, including structures, paving, and landscaping, unless otherwise allowed by the Community Development Director, or stated in these conditions. (BL, G-8)
8. **Expiration.** The tentative map shall have an initial expiration period of twenty-four (24) months from the approval date if the final map is not approved prior to the initial expiration date of **November 5, 2020**, subject to extensions of time that may granted as provided pursuant to the State Subdivision Map Act. (PL, G-12)
9. **Extension Requests.** Should Developer intend to request an extension to the permit expiration date, Developer must submit to the Planning Division a written application with applicable fees prior to the expiration date. Only timely requests may be considered pursuant to the City Code. Should the project approvals expire, allocations granted for 14 residential units pursuant to Gilroy City Code Section 30.50.60 shall likewise expire. (PL, G-5)

PLANNING DIVISION STANDARD CONDITIONS

10. **Subsequent Permits.** Developer shall obtain necessary permits prior to initiating any new construction or modifications authorized under this approval, including but not limited to temporary construction trailers, temporary staging areas, model home sales offices, advertising signs of any kind, exterior and interior modifications. Developer shall pay all requisite fees in effect at the time of plan submittal and/or issuance, as applicable. (PL/BL, PL-1)

11. **Architectural and Site Review.** Architectural and Site Review shall be obtained for development of four or more residential parcels within the project, pursuant to Gilroy City Code Section 30.50.41(a)(5).
12. **Building Plan Details.** Developer plans for building permit applications for future residences shall identify all exterior building materials and colors, including product and finish manufacturer name, color name and number, and surface finish type (e.g. stucco with sand finish, plaster with smooth finish) to be used in construction, subject to review for compliance with Zoning standards. This shall include review and requirement for compliance with the site design requirements of Gilroy City Code Section 30.5.50 which specifies that new residences shall have at least 3 of the following 5 design elements to differentiate from residences on adjacent lots on the same street frontage(PL, PL-2):
 - (A) Floor plan.
 - (B) Front Elevation.
 - (C) Roof Design.
 - (D) Exterior Materials.
 - (E) Reversed floor plan.
13. **Conditions on Plan Sets.** Developer shall submit plans that include, on all sets, a reproduction of all conditions of approval of this permit, as adopted by the decision-maker. (PL, PL-3)
14. **Landscape and Lighting.** Developer shall submit combined final landscape and lighting plan improvement plans to verify location of street trees and street light standards shall not conflict with drainage plans, landscape plans, tree locations, parking spaces, or any other such land use concerns. (PL, PL-6)
15. **Habitat Conservation Permit.** Concurrent with or prior to an application for a grading permit, Developer shall apply for a Santa Clara Valley Habitat Plan permit from the City of Gilroy. The grading permit will be issued only after payment of assessed fees and approval of the Habitat Plan permit. (PL, PL-9)
16. **Habitat Conservation Fee Payment.** Prior to issuance of a grading permit, Developer shall present to the Community Development Director or designee, a receipt issued by Santa Clara County for full payment of the Santa Clara Valley Habitat Plan fees for associated with the proposed development. Such receipt shall be dated within six (6) months of the grading permit issuance date, or the fee amount may be reassessed and difference collected at the time of grading permit issuance. (PL, PL-10)
17. **Construction Noise.** To minimize potential construction-related impacts to noise, Developer shall include the following language on any grading, site work, and construction plans issued for the subject site (PL/BL, PL-11)

“During earth-moving, grading, and construction activities, Developer shall implement the following measures at the construction site:

- (A) Limit construction activity to weekdays between 7:00 a.m. and 7:00 p.m., and on Saturdays between 9:00 a.m. and 7:00 p.m. Construction noise is prohibited on Sundays and City-observed holidays;
- (B) Locate stationary noise-generating equipment as far as possible from sensitive receptors when sensitive receptors adjoin or are near a construction project area;
- (C) Construct sound walls or other noise reduction measures prior to developing the project site;
- (D) Equip all internal combustion engine driven equipment with intake and exhaust mufflers that are in good condition and appropriate for the equipment;
- (E) Prohibit all unnecessary idling of internal combustion engines;
- (F) Utilize “quiet” models of air compressors and other stationary noise sources where technology exists; and
- (G) Designate a “disturbance coordinator” who would be responsible for responding to any complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g. bad muffler, etc.) and will require that reasonable measures be implemented to correct the problem.”

18. **Air Quality.** To minimize potential construction-related impacts to air quality, Developer shall include the following language on any grading, site work, and construction plans issued for the project site (PL/BL, PL-12):

“During earth-moving, grading, and construction activities, Developer shall implement the following basic control measures at the construction site:

- (A) All exposed surfaces (e.g. parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day;
- (B) All haul trucks transporting soil, sand, or other loose material onsite or offsite shall be covered;
- (C) All visible mud or dirt tracked out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited;
- (D) All vehicle speeds on unpaved roads or pathways shall be limited to 15 miles per hour;
- (E) All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used;
- (F) Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points;

- (G) All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator; and
- (H) Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations."

19. **Archaeological Resources.** In the event of an accidental discovery of archaeological resources during grading or construction activities, Developer shall include the following language on any grading, site work, and construction plans issued for the project site (BL/PL, PL-13):

"If archaeological or cultural resources are discovered during earth-moving, grading, or construction activities, all work shall be halted within at least 50 meters (165 feet) of the find and the area shall be staked off immediately. The monitoring professional archaeologist, if one is onsite, shall be notified and evaluate the find. If a monitoring professional archaeologist is not onsite, the City shall be notified immediately and a qualified professional archaeologist shall be retained (at Developer's expense) to evaluate the find and report to the City. If the find is determined to be significant, appropriate mitigation measures shall be formulated by the professional archaeologist and implemented by the responsible party."

20. **Cultural Resources.** In the event of an accidental discovery or recognition of any human remains, Developer shall include the following language in all grading, site work, and construction plans (BL/PL, PL-14):

"If human remains are found during earth-moving, grading, or construction activities, there shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until the coroner of Santa Clara County is contacted to determine that no investigation of the cause of death is required. If the coroner determines the remains to be Native American the coroner shall contact the Native American Heritage Commission within 24 hours. The Native American Heritage Commission shall identify the person or persons it believes to be the most likely descendent (MLD) from the deceased Native American. The MLD may then make recommendations to the landowner or the person responsible for the excavation work, for means of treating or disposing of, with appropriate dignity, the human remains and associated grave goods as provided in Public Resources Code Section 5097.98. The landowner or his authorized representative shall rebury the Native American human remains and associated grave goods with appropriate dignity on the property in a location not subject to further disturbance if: a) the Native American Heritage Commission is unable to identify a MLD or the MLD failed to make a recommendation within 24 hours after being notified by the commission; b) the descendent identified fails to make a recommendation; or c) the landowner or his authorized representative rejects the recommendation of the descendent, and the mediation by the Native

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American Heritage Commission fails to provide measures acceptable to the landowner.”

21. **Equipment Screening.** Developer shall provide screening of all mechanical equipment, post indicator valves, backflow prevention devices, etc., shown on final improvement plans. All ground mounted utility appurtenances such as transformers shall not be visible from any public right-of-way and shall be adequately screened through the use or combination of low concrete or masonry walls, berms, and landscaping. (PL, PL-17)
22. Any masonry or concrete walls used for screening purposes shall comply with front and street side yard height limits and be setback from property lines or back of sidewalks at least 3-feet in order to accommodate landscaping along the exterior facing elevation. (PL-22)
23. Backflow preventers shall be painted dark green, except the fire connection which shall be painted yellow. Interior lot lines may be delineated by fencing, constructed of wood material. (PL-17)
24. The final placement and design of the equipment and screening for the items in the above conditions 23, 24 and 25, shall be to the satisfaction of the Community Development Director or designee.
25. **Homeowners Association.** Developer shall establish a Homeowners’ Association (HOA) for the development. The HOA shall be responsible for the maintenance and enforcement of parking, private streets, common landscaping, recreation and other interior areas held in common by the HOA. Such responsibilities shall be provided within the CC&Rs for the development. (PL, PL-27)
26. Prior to recordation of the Final Map, the CC&R’s shall be submitted to the City for review and approval to confirm the items required in these conditions of approval have been satisfied; subject to review by the Community Development Director, City Engineer and City Attorney.

PLANNING LANDSCAPING CONDITIONS

27. Developer shall submit a Landscape and Irrigation Plan for common areas with completed Landscape Documentation Package, including a soil analysis/management report along with appropriate application review fees, to the Community Development Department, including required documentation for compliance verification, and obtain approval of such plans. Landscaping plans shall include details for tree mitigation and include planting along the retaining wall system supporting the Lots 9-14 building pads. (PL, PL-43)

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28. As part of the Landscape Plan submittal, Developer shall not include any invasive plant species, such as those listed by the California Invasive Plant Council. (PL, PL-44)
29. As part of the Landscape Plan submittal, Developer shall clarify a minimum three (3) inch layer of mulch to be applied on all exposed soil surfaces, as required by the State MWEL. (PL, PL-45)
30. With the final landscape plan submittal, Developer shall (as part of the irrigation system) include sensors that suspend or alter irrigation operation during unfavorable weather conditions (e.g. automatic rain shut-off devices). (PL, PL-42)
31. Prior to occupancy or and/or final tract acceptance, Developer shall submit a signed Certificate of Completion, along with all necessary supporting documentation and payment to the Community Development Department, for compliance verification of the landscape installation. Developer shall complete installation of all landscaping and irrigation in accordance with the approved plans. (PL-47, PL-48)
32. Developer is required under MWEL to provide a copy of the approved Certificate of Completion to the property owner or his or her designee. Prior to completion of each build-out phase of development, Developer shall provide the Community Development Director or designee a summary of each lot in that phase and timing of compliance with this requirement. (PL, PL-49)
33. For the life of the project, Developer and/or HOA shall maintain common landscaping and irrigation improvements in accordance with the approved plans, except as otherwise permitted or required by law. Significant changes to the number, placement, and selection of plant species may require a modification to this approval, to be determined by the Community Development Director or designee. (PL, PL-50)

PLANNING DIVISION SPECIAL CONDITIONS

34. **Off-site improvements.** Developer shall comply with the requirements of the Engineering Division for all off-site right of way improvements, which includes acquiring the right of way access to connect Greenfield Drive with the project roadway.
35. **Public/Private Roadway Demarcation.** The improvement plans shall provide a distinctive pavement treatment to demarcate the transition from public to private roadway, to the satisfaction of the Planning Manager and City Engineer.
36. The Building Envelopes that are shown on the tentative map shall not be required.
37. **Private Open Space Restrictions for Lots 9 thru 14.** The area extending from the top of the uppermost retaining wall to the rear and side property lines of Lot 9

through Lot 14, which back up to the Uvas Creek preserve, shall be restricted as follows: No structures, ornamental landscaping, private garden areas, accessory structures, grading, decks, pools, or hardscape improvements shall be permitted within the private open areas. The private open space shall be maintained with approved native or compatible landscaping, and open view fencing only, which is complementary and compatible with the adjacent public open space vegetation. Any modification shall be subject to review and approval of the Community Development Director or designee for compliance with these conditions and Gilroy City Code.

38. **Private Open Space View Fencing Requirement for Lots 9 thru 14).** The Developer shall install open view fencing along the rear of building envelopes (on top of the uppermost retaining wall) and along the perimeter of the private open space areas of Lots 9 through Lot 14. The open view fencing details shall be submitted for review and approval by the Planning Division with grading permits or improvement plans. Fencing shall be installed prior to occupancy of residences on these lots. The open view fencing restrictions shall be included in the project CC&R's. Any modification to this requirement shall be subject to review and approval by the Community Development Director or designee and the Public Works Director for compliance with these conditions and Gilroy City Code.
39. **Public Access Easement.** Public access easements shall be granted for sidewalks and roadways through the development.
40. **Common Improvements.** Developer shall complete all required common landscaping, street trees, lighting and tree mitigation. A phasing schedule may be submitted for approval by the Planning Manager prior to issuance of grading permits. All improvements must be completed prior to acceptance of the Tract map.
41. **Common Retaining Wall Design.** Should the retaining wall be used, plans shall indicate a minimum grade separation of five feet (5') that shall be maintained between the two maximum five-foot (5') tall retaining walls that are proposed to support the fill and building envelopes of lots 9 through 14. This area shall be planted with landscaping designed to prevent climbing and soften the appearance of the wall. Similar landscaping shall be included along the base of the wall.
42. **Processing Fees.** Outstanding application processing fees in the amount of \$9,796.81 shall be paid, consistent with the application reimbursement agreement. Any outstanding fees must be received prior to recordation of the Final Map.

PLANNING DIVISION ENVIRONMENTAL CONDITIONS

The following mitigation measures shall be incorporated as conditions of approval, consistent with the Mitigation Monitoring and Reporting Program prepared and adopted for the project.

43. **(MM AIR-1.1)** The project shall develop a plan demonstrating that the off-road equipment used on-site to construct the project would achieve a fleet-wide average of at least 30 percent reduction in DPM exhaust emissions or greater. One feasible plan to achieve this reduction would include the following:
 - (A) All mobile diesel-powered off-road equipment larger than 25 horsepower and operating on the site for more than two days shall meet, at a minimum, U.S. EPA particulate matter emissions standards for Tier 2 engines or equivalent.
 - (B) Generator used to provide power shall meet, at a minimum, U.S. EPA particulate matter emissions standards for Tier 4 engines or equivalent. Or their usage shall be limited to 100 hours total.
44. **(MM BIO-1.1)** Pre-construction nesting bird surveys shall be completed prior to the start of construction activities, if construction activities are proposed to commence during the nesting season (February 1 to August 31) in order to avoid impacts to nesting birds. These surveys shall be completed by a qualified biologist no more than 14 days before construction begins during the early part of the breeding season (February 1 through April 30) and no more than 30 days before construction begins during the latter part of the breeding season (May 1 through August 31). During this survey, the biologist or ornithologist shall observe if any nesting birds are within the project area.
45. **(MM BIO-1.2)** If an active nest is found in an area that will be disturbed by construction, the ornithologist shall designate an adequate buffer zone to be established around the nest, in consultation with the California Department of Fish and Wildlife. The buffer would ensure that nests shall not be disturbed during project construction.
46. **(MM BIO-1.3)** The applicant shall submit a report indicating the results of the pre-construction survey and any designated buffer zones to the satisfaction of the Director of Planning, prior to the issuance of a demolition permit.
47. **(MM BIO-2.1)** Bat Pre-activity Survey. Prior to any removal of trees 12 inches or greater in diameter at 4.5 feet above grade, a pre-activity survey for roosting bats will be conducted within the impact area. The survey will be conducted by a qualified bat biologist. No activities that would result in disturbance of active bat roosts will proceed prior to the completed survey. If no active roosts or maternity colonies are found, then no further action is warranted. If a large maternity colony or bat roost is presented, MM BIO-3.2 or 3.3 shall be implemented.
48. **(MM BIO-2.2)** Avoidance. In order to avoid impacts, if an occupied bat roost is found in a tree that would be disturbed or removed by proposed activities, the Project may be redesigned to avoid the disturbance of the tree. If the roost is unoccupied at the time of the survey, the City may choose to install bat exclusion devices to prevent bats from taking up occupancy of the structure prior to the onset

of the proposed activity. If avoidance is not feasible, MM BIO-3.3 shall be implemented.

49. **(MM BIO-2.3) Exclude Bats Prior to Disturbance.** If disturbance of an active non-breeding pallid bat roost cannot be avoided, the individuals will be safely evicted between August 1 and October 15th or between February 15 and March 15. Bats may be evicted through exclusion after notifying the California Department of Fish and Wildlife. Trees with roosts that need to be removed will first be disturbed at dusk, just prior to removal that evening, to allow bats to escape the darker hours.
50. **(MM BIO-3.1) Woodrat Pre-Construction Surveys.** Pre-construction surveys for woodrat nests shall be conducted within the impact footprint by a qualified mammalogist prior to the start of work. The surveys shall be conducted between March 1st and October 31st, when woodrats are more active, and shall be conducted no more than 30 days prior to the start of work. Woodrat nests detected during the survey shall be mapped and one or more of the following measures shall be implemented:
 - (A) Disturbance-free Woodrat Buffers. Dusky-footed woodrats are year-round residents. Therefore, avoidance mitigation is limited to redesigning the project to avoid direct impacts on woodrat nests to the extent feasible. Ideally, a minimum 10-foot buffer should be maintained between project construction activities and each nest to avoid disturbance. In some situations, a smaller buffer may be allowed if in the opinion of a qualified biologist, removing the nest would be a greater impact than the anticipated as a result of Project activities.
 - (B) Relocation of Woodrat Nest Materials. If active woodrat nests are found within the Project boundary and avoidance is not feasible, then the woodrats shall be evicted from their nests prior to the removal of the nests and onset of ground-disturbing activities to avoid injury or mortality of the woodrats. A qualified biologist shall disturb the woodrat nest such that all woodrats would seek refuge outside of the Project activity area. Subsequently, the nest sticks shall be removed from the site, if feasible, these materials would be piled at the base of a nearby tree or shrub. The spacing between relocated nests shall not be less than 100 feet, unless a qualified biologist has determined that the habitat can support higher densities of nests.
51. **(MM BIO-4.1) Prior to issuance of a grading permit, the applicant shall submit a final tree replacement plan to mitigate for proposed tree removals consistent with Gilroy City Code Article XXXVIII (Landscaping) and Consolidated Landscape Policy.** The final plan shall identify the species, size, numbers, and locations for the replacement trees. The tree replacement program will be subject to review and approval by the Planning Manager and shall be implemented with construction of the subdivision improvements..

52. **(MM BIO-4.2)** The project would also be required to implement tree preservation measures before and during project construction for significant trees to be retained (which as revised by the applicant shall include preservation of trees 46, 49, 52, 53, 54, 56, 70, 74, 75, 76, 77, 79 and 80 as shown on Table 3 Trees Recommended for Removal of the Preliminary Arborist Report). These measures shall be included on all plans. Tree protection measures include the following Tree Preservation Guidelines as established in the arborist report prepared for the project environmental analysis:

Design Recommendations.

- (A) The trees identified for preservation shall be established and plotted on all plans (including but not limited to demolition, improvement, utility, drainage, grading, landscape and irrigation plans), subject to review and comment by the Consulting Arborist.
- (B) Changes to plans shall be subject to review and comment by the Consulting Arborist with regard to tree impacts.
- (C) A Tree Protection Zone (TPZ) shall be established around each tree to be preserved. Specific TPZ zones are specifically required for the following trees located within the area of development:

Tree No.	TPZ
#8	5' North. Dripline in all other directions.
#19	5' North and West. Dripline in all other directions.
#31	5' South. Dripline in all other directions.
#36, 37, 38	10' West. Dripline in all other directions.

- (D) TPZ's for trees not listed above shall be established at the dripline or a 10-foot radius, whichever is greater.
- (E) Underground services and utilities, including subdrains, water and sewer, shall be routed around the TPZ. Where encroachment cannot be avoided, special construction techniques such as hand digging or tunneling under roots shall be employed where necessary to minimize root injury.
- (F) All temporary access roads and staging for materials, equipment, etc., shall remain outside of TPZ's.
- (G) Herbicides must be safe for use around trees and labeled for that use.
- (H) Irrigation systems must be designed so that no trenching will occur within the TPZ.

Pre-construction Treatments

- (I) Per the City's Consolidated Landscape Policy, policies 6.2 and 6.3, the developer shall hire a certified consulting arborist for the entire span of the

project. All arborist recommendations shall be drafted on the final construction, grading, or landscape plans.

- (J) The consulting arborist shall sign the final landscape plans authorizing this plan is consistent with the recommendations made in the arborist report.
- (K) The construction superintendent shall meet with the Consulting Arborist before beginning work to discuss work procedures and tree protection.
- (L) Fence all trees to be retained to completely enclose the Tree Protection Zone prior to demolition, grubbing or grading. Fences shall be 6' high chain link, mounted to steel posts firmly driven into the ground or on stanchions fastened securely with rebar staples 12" deep, as required by the City. Fences are to remain until all grading and construction is completed.
- (M) Trees recommended for preservation may require clearance pruning for construction. All pruning shall be completed by a Certified Arborist or Tree Worker and adhere to the latest edition of the ANSI Z133 and A300 standards as well as the Best Management Practices -- Tree Pruning published by the International Society of Arboriculture.
- (N) Structures and underground features to be removed within the Tree Protection Zone shall use the smallest equipment, and operate from outside the Tree Protection Zone. The consultant shall be on-site during all operations within the Tree Protection Zone to monitor demolition activity.
- (O) Apply and maintain 4-6" wood chip mulch within the Tree Protection Zone.
- (P) All tree work shall comply with the Migratory Bird Treaty Act as well as California Fish and Wildlife code 3503-3513 to not disturb nesting birds. To the extent feasible tree pruning and removal should be scheduled outside of the breeding season. Breeding bird surveys should be conducted prior to tree work. Qualified biologists should be involved in establishing work buffers for active nests.

During Construction

- (Q) Prior to beginning work, all contractors working in the vicinity of trees to be preserved are required to meet with the Consulting Arborist at the site to review all work procedures, access routes, storage areas and tree protection measures.
- (R) No grading, construction, demolition or other work shall occur within the Tree Protection Zone. Any modifications must be approved and monitored by the Consulting Arborist.
- (S) Any excavation within the dripline or other work that is expected to encounter tree roots should be approved and monitored by the Consulting Arborist. Roots shall be cut by manually digging a trench and cutting exposed roots with a sharp saw. The Consulting Arborist will identify

where root pruning is required.

- (T) If injury should occur to any tree during construction, it should be evaluated as soon as possible by the Consulting Arborist so that appropriate treatments can be applied.
- (U) Any roots damaged during grading or construction shall be exposed to sound tissue and cut cleanly with a saw.
- (V) Fences have been erected to protect trees to be preserved. Fences define a specific Tree Protection Zone (TPZ) for each tree or group of trees. Fences are to remain until all site work has been completed. Fences may not be relocated or removed without permission of the Consultant.
- (W) Construction trailers, traffic and storage areas must remain outside fenced areas at all times.
- (X) Prior to grading, pad preparation and excavation work trenching may require root pruning outside of the TPZ. The Consulting Arborist shall identify where root pruning is required prior to the start of work. Roots shall be cleanly cut to the depth of the excavation. Roots shall be cut by manually digging a trench and cutting exposed roots with a saw, with a vibrating knife, rock saw, narrow trencher with sharp blades, or other approved root pruning equipment.
- (Y) No materials, chemicals, debris or equipment shall be dumped or stored within the TPZ.
- (Z) Any tree pruning required for clearance during construction must be performed by a Certified Arborist.

Post Construction

- (AA) Trees preserved and replacement trees shall be monitored following construction of site improvements to assure the health of trees post construction. Occasional pruning, fertilization, mulch, pest management, replanting and irrigation may be required.

ENGINEERING DIVISION CONDITIONS

GENERAL

- 53. All improvements shall be designed and constructed in accordance with the City of Gilroy Municipal Code and Standard Specifications and Details, and is subject to all laws of the City of Gilroy by reference. Street improvements and the design of all off-site storm drainage facilities, sewer and water lines, and all street sections shall be in accordance with City Standards and shall follow the most current City Master Plan for streets, as approved by the City of Gilroy's Public Works Director/City Engineer.
- 54. Until such time as the Improvements are accepted by City, Developer shall be responsible for and bear the risk of loss to any of the Improvements constructed or installed.

55. Applicant shall obtain all applicable permits from federal, state, and local agencies as required to construct the proposed improvements. A copy of these permits will be provided prior to building permits.
56. Applicant shall obtain will serve and review letter from Recology confirming serviceability and site accessibility of solid waste pickup. Contract Steven Lucchetti, Operations Manager 408-842-3358.
57. All existing public utilities shall be protected in place and if necessary relocated as approved by the City Engineer. No permanent structure is permitted within City easements without the approval of the City of Gilroy.
58. Prior to building permit issuance, developer shall dedicate necessary easements for the project development, including but not limited to 16-foot Public Service easement along all the project proposed and future street frontages. The private streets shall be designated as a Public Utility Easement (PUE), Water Line Easement (WLE), and Emergency Vehicle Access Easement (EVAE).
59. Prior to the Final Map recordation applicant shall successfully obtain and record necessary ingress/egress and public utility easement from adjacent property owner, APN 808-19-020, for the extension of the Greenfield Drive to serve the proposed development.
60. Improvement plan shall include all approved Conditions of Approval (COA) and approved mitigation measures for the project on the 2nd sheet of the improvement plan set.
61. Improvement plan set submittal shall include civil, landscape, electrical and joint trench plan.
62. Public Improvement Plan title sheet shall include a table identifying ownership and maintenance responsibilities for all existing and proposed improvements, including but not limited to, streets, water, sewer, storm, street lights, landscaping and stormwater treatment areas.

FEES

63. The project is subject to the City's Street Tree, Storm, Sewer, Water, Traffic, and Public Facilities Development Impact Fees. Payment of Street Tree and Storm Development Impact Fees is required at first building permit issuance. Sewer, Water, Traffic, and Public Facilities Development Impact Fees are due prior to building occupancy.
64. At improvement plan submittal, Developer shall submit a \$25,000 (Twenty Five Thousand) initial deposit for plan check and processing. This deposit will be credited/accounted for toward final plan check and inspection fee.
65. Prior to plan approval, developer shall submit a detailed project cost estimate with appropriate contingency, subject to City Engineer approval.

66. Prior to final plan approval, Developer shall pay 100% of the plan check and inspection fees and other related fees that the property is subject to, enter into a property improvement agreement, and provide payment and performance bonds.

GRADING & DRAINAGE

67. Prior to final map approval, the developer shall submit a grading plan and a drainage study prepared by a registered Civil Engineer. The drainage study shall analyze the existing and ultimate conditions and facilities, and the study shall include all off-site tributary areas. The study and the design shall be in compliance with the City's Stormwater Management Guidance Manual (latest edition). Existing offsite drainage patterns, i.e., tributary areas, drainage amount and velocity shall not be altered by the development. The developer shall satisfy the conclusions and recommendations of the approved drainage study and storm water management plan.
68. All grading activity shall address National Pollutant Discharge Elimination System (NPDES) requirements. If all or part of the construction occurs during the rainy season, the developer shall submit an Erosion Control Plan to the Public Works Director for review and approval. This plan shall incorporate erosion control devices and other techniques in accordance with Municipal Code § 27C to minimize erosion. The developer shall have a QSP on site as necessary to ensure implementation and maintenance of all erosion control measures. Specific measures to control sediment runoff, construction pollution and other potential construction contamination shall be addressed through the Erosion Control Plan and Storm Water Pollution Prevention Plan (SWPPP). The SWPPP shall supplement the Erosion Control Plan and project improvement plans. These documents shall also be kept on-site while the project is under construction. A Notice of Intent (NOI) shall be filed with the State Water Resources Control Board, with a copy provided to the Engineering Division before a grading permit will be issued. WDID# shall be provided prior to the commencement of work.
69. All grading operations and soil compaction activities shall be per the approved project's geotechnical report that was prepared for the design of the project and shall be subject to the approval of the Public Works Director. Site preparation and cut/fill construction shall be conducted under the observation of, and tested by, a licensed soils or geotechnical engineer. A report shall be filed with the City of Gilroy for each phase of construction, stating that all site preparation and cut/fill construction were performed in conformance with the requirements of the project's geotechnical report. This shall be subject to review and approval by the Engineering Division. The developer shall add this condition to the general notes on the grading plan.
70. Prior to building permit issuance, the applicant's soils engineer shall review the final grading and drainage plans to ensure that designs for foundations, retaining walls, site grading, and site drainage are in accordance with their recommendations.

The applicant's soils engineer's approval shall then be conveyed to the City either by letter or by signing the plans.

TRANSPORTATION

71. Any work in the public right-of-way shall require a traffic control plan prepared by a licensed professional engineer with experience in preparing such plans. Traffic Control Plan shall be prepared in accordance with the requirements of the latest edition of the California Manual on Uniform Traffic Control Devices. The Traffic Control Plan shall be approved prior to the commencement of any work within the public right of way.
72. At first plan submittal developer shall model all Emergency Vehicle circulation movements, as separate plan sheet. The circulation plan shall be prepared to the city Engineer's satisfaction, and modeled with AutoTurn Swept analysis software, all turning and street circulation movements.
73. At first plan submittal developer shall model all Solid Waste Vehicle circulation movements, as separate plan sheet. The circulation plan shall be prepared to the city Engineer's satisfaction, and modeled with AutoTurn Swept analysis software, all turning and street circulation movements.
74. Developer shall submit final photometric plans as part of Improvement plans for review and approval.
75. Developer shall install all joint trench to have (4) dedicated 1^{1/2"} SCH 80 PVC conduit for City Fiber Optic need in a quad duct arrangement along public Collector and Arterial streets. Quad duct shall be per City STD EL-11.
76. Developer shall design driveway grades to keep a standard design vehicle from dragging or "bottoming out" on the street or driveway and to keep water collected in the street from flowing onto the lots. The details of such design shall be provided at improvement plan phase and shall be to the satisfaction of the City Transportation Engineer.
77. The developer shall not obstruct the noted sight distance areas. Overall cumulative height of the grading, landscaping & signs as determined by sight distance shall not exceed 2 feet when measured from street elevation.
78. Project shall connect to the existing 12-foot Class-1 Bike Path (trail) at the easterly boundary of the project by lot 14.

FINAL MAP

79. The Final Tract Map shall be presented to the City Council for review and action. The City Council meeting will be scheduled approximately fifty (50) days after the Final Map is deemed technically correct, and Subdivision Improvement Plans with supporting documents, reports and agreements are approved by the City. Executed Final Map shall be returned to the City Public Works Department if Final Map has

not been filed in the County Recorder's Office within ninety (90) days from the date of City Council's approval.

80. The tentative map and all final maps shall designate all common lots and easements as lettered lots or lettered easements. The Final map should be clear on the limits of Public vs. Private (HOA) responsibilities. The Final map should also be clear of the HOA vs. Homeowners responsibilities.
81. Prior to final map approval, the developer shall establish a homeowner association. The homeowner association shall be responsible for the maintenance of the landscaping, walls, private streetlights, private utilities, private streets, and common areas, and shall have assessment power. **HOA shall be responsible maintenance of the Storm Water Control treatment areas** and the CC&R's shall describe how the stormwater BMPs associated with privately owned improvements and landscaping shall be maintained by the association. This information shall be clearly included in the Conditions, Covenants, and Restrictions (CC&R) and recorded documents. The CC&R document shall be submitted for review and approval by the City Engineer.
82. **Uvas Creek Parcel A.** Prior to or concurrent with final map approval, Developer shall dedicate Parcel A for the use of the public. Developer shall complete all improvements, including but not limited to the proposed Bicycle Trail and its extension to the adjacent properties. Property Homeowner's Association shall take full responsibility for management and maintenance of the proposed improvements within Parcel A. Seasonal vegetation management shall be scheduled to occur at the end of the rainy season and consistent with the annual weed abatement resolution. The HOA shall implement any vegetation management within Parcel A and Fuel Transition Zones at the beginning of weed abatement season. This language shall be included in the HOA conditions, covenants and restrictions.
83. The bicycle trail alignment within Parcel A shall avoid identified wetland areas.
84. The City shall in good faith support efforts by Developer to facilitate dedication of the open space parcel to a suitable non-City public agency as a means of ensuring long term preservation and management of the open space parcel. This shall be without cost or liability to the City. In the absence of such dedication, the Home Owners Association shall have the responsibility for the long-term preservation and management of such area.

PUBLIC IMPROVEMENTS

85. Prior to building permit issuance, developer shall execute a public improvement agreement and post Payment and Performance bonds each for 100% of cost for improvement with the City that shall secure the construction of the public improvements. Insurance shall be provided per the terms of the agreement.
86. The developer shall repair or replace all existing improvements not designated for removal that are damaged or removed because of developer's operations.

Developer shall request a walk-through with the Engineering Construction Inspector before the start of construction to verify existing conditions.

87. The developer shall obtain all local and state permits necessary for all project onsite and offsite construction.
88. Prior to any work within public right of way or City easement, the developer shall obtain an encroachment permit from the City.

WATER QUALITY

89. Proposed development shall comply with state mandated regional permits for both pre-construction and post-construction storm water quality requirements per chapter 27D of the Gilroy Municipal Code, and is subject to, but not limited to, the following:
 - a. At grading permit phase, submit a final design Stormwater Management Plan and final signed Performance Requirement Certifications specified in the City of Gilroy Stormwater Management Guidance Manual (latest edition).
 - b. At improvement plan phase, confirm that the bioretention basin locations shown on the Stormwater Control Plan match with the locations shown on the Landscape Plans.
 - c. Prior to building permit issuance, the Developer of the site shall enter into a formal written Stormwater BMP Operation and Maintenance Agreement with the City.
 - i. The City shall record this agreement against the property or properties involved and it shall be binding on all subsequent owners of land served by the storm water management treatment BMPs. The City-standard Stormwater BMP Operation and Maintenance Agreement will be provided by Public Works Engineering.
 - ii. This Agreement shall require that the BMPs not be modified and BMP maintenance activities not alter the designed function of the facility from its original design unless approved by the City prior to the commencement of the proposed modification or maintenance activity.
 - iii. This Agreement shall also provide that in the event that maintenance or repair is neglected, or the storm water management facility becomes a danger to public health or safety, the city shall have the authority to perform maintenance and/or repair work and to recover the costs from the owner.
 - iv. All on-site storm water management facilities shall be operated and maintained in good condition and promptly repaired/replaced by the property owner(s) or other legal entity approved by the City.

- v. Any repairs or restoration/replacement and maintenance shall be in accordance with City-approved plans.
 - vi. The property owner(s) shall develop a maintenance schedule for the life of any storm water management facility and shall describe the maintenance to be completed, the time period for completion, and who shall perform the maintenance. This maintenance schedule shall be included with the approved Stormwater Runoff Management Plan.
 - d. Stormwater BMP Inspections will be required for this project and shall adhere to the following:
 - i. The property owner(s) shall be responsible for having all storm water management facilities inspected for condition and function by a knowledgeable third party.
 - ii. Unless otherwise required by the City Engineer or designee, storm water facility inspections shall be done at least twice per year, once in Fall, in preparation for the wet season, and once in Winter. Written records shall be kept of all inspections and shall include, at minimum, the following information:
 1. Site address;
 2. Date and time of inspection;
 3. Name of the person conducting the inspection;
 4. List of storm water facilities inspected;
 5. Condition of each storm water facility inspected;
 6. Description of any needed maintenance or repairs; and
 7. As applicable, the need for site re-inspection.
 - e. Upon completion of each inspection, an inspection report shall be submitted to Public Works Engineering no later than October 1st for the Fall report, and no later than March 15th of the following year for the Winter report.
 - f. Before commencing any grading or construction activities, the developer shall obtain a National Pollutant Discharge Elimination System (NPDES) permit and provide evidence of filing of a Notice of Intent (NOI) with the State Water Resources Control Board.
90. The developer is responsible for ensuring that all contractors are aware of all storm water quality measures and implement such measures. Failure to comply with the

approved construction BMPs will result in the issuance of correction notices, citations or a project stop order.

UTILITIES

91. All service to the development shall be an "underground service" designed and installed in accordance with the Pacific Gas and Electric Company, AT&T (phone) Company and local cable company regulations. Transformers and switch gear cabinets shall be placed underground unless otherwise approved by the Planning Director and the City Engineer. Underground utility plans must be submitted prior to installation.
92. Improvement plans are required for all on-site and off-site improvements. The following items will need to be completed prior to first building permit submittal:
 - a) The Developer shall provide joint trench composite plans for the underground electrical, gas, telephone, cable television, and communication conduits and cables including the size, location and details of all trenches, locations of building utility service stubs and meters and placements or arrangements of junction structures as a part of the Improvement Plan submittals for the project. Show preferred and alternative locations for all utility vaults and boxes if project has not obtained PG&E approval. A licensed Civil or Electrical Engineer shall sign the composite drawings and/or utility improvement plans. (All dry utilities shall be placed underground).
 - b) The Developer shall negotiate right-of-way with Pacific Gas and Electric and other utilities subject to the review and approval by the Engineering Division and the utility companies.
 - c) "Will Serve Letter" from each utility company for the subdivision shall be supplied to the City.
93. A note shall be placed on the joint trench composite plans which states that the plan agrees with City Codes and Standards and that no underground utility conflict exists. The Joint trench consultant shall provide the City a separate "project utility composite plan" showing all Civil, Landscape, electrical, and joint trench information to confirm that there are no conflicts with joint trench plan utilities. Joint Trench Shall not be conceptual.
94. Storm and sewer lines in private areas shall be privately owned and maintained by the HOA.
95. Prior to any construction of the dry utilities in the field, the following will need to be supplied to the City:
 - a) A professional engineer- original electrical plan.

- b) A letter from the design Electrical or Civil Engineer that states the electrical plan conforms to City codes and Standards, and to the approved subdivision improvement plans.
- 96. Sanitary sewer laterals and/or water meters located in driveways shall have traffic rated boxes and lids.
- 97. The Developer/Contractor shall make accessible any or all City utilities as directed by the Public Works Director.
- 98. All mainline storm drain piping shall have a minimum diameter of 18 inches and the lateral connections shall have a minimum diameter of 15 inches.

WATER CONSERVATION

- 99. Landscape design shall comply with the State Water Efficient Landscape requirements. Prior to building permit issuance complete landscape documentation package shall be submitted along with landscape plan for review and approval of the City Engineer; and prior to final/occupancy permit issuance, project Landscape Architect shall certify compliance with the State requirements and submit a Certificate of Completion by the owner.
- 100. The project shall fully comply with the measures required by the City's Water Supply Shortage Regulations Ordinance (Gilroy City Code, Chapter 27, Article VI), and subsequent amendments to meet the requirements imposed by the State of California's Water Board. This ordinance established permanent voluntary water saving measures and temporary conservation standards.
- 101. Recycled water shall be used for construction water, where available, as determined by the Public Works Director. Recycled water shall be billed at the municipal industrial rate based on the current Santa Clara Valley Water District's municipal industrial rate.

WATER

- 102. The proposed 8" DIP water main within the proposed subdivision shall be connected to the existing water main line on Riverview Circle to provide a looping water system with two points of connection.
- 103. All construction water from fire hydrants shall be metered and billed at the current hydrant meter rate.
- 104. Where recycled water is not available, as determined by the Public Works Director, potable water shall be used. All City potable water will be billed based on the City's comprehensive fee schedule under the Portable Fire hydrant meter rate.
- 105. The Developer shall perform field verification testing of the water system and will modify any part of the systems that does not perform to the standards established by the City.

CONSTRUCTION BMP

106. It is the responsibility of the contractor to make sure that all dirt tracked into the public right-of-way is cleaned up on a daily basis. Mud, silt, concrete and other construction debris shall not be washed into the City's storm drains.
107. Blowing dust shall be reduced by timing construction activities so that paving and building construction begin as soon as possible after completion of grading, and by landscaping disturbed soils as soon as possible. Further, water trucks shall be present and in use at the construction site. All portions of the site subject to blowing dust shall be watered as often as deemed necessary by the City, or a minimum of three times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas, and staging areas at construction sites in order to insure proper control of blowing dust for the duration of the project. Watering on public streets shall not occur. Streets will be cleaned by street sweepers or by hand as often as deemed necessary by the Public Works Director, or at least once a day. Watering associated with on-site construction activity shall take place between the hours of 8 a.m. and 5 p.m. and shall include at least one late-afternoon watering to minimize the effects of blowing dust. All public streets soiled or littered due to this construction activity shall be cleaned and swept on a daily basis during the workweek to the satisfaction of the Public Works Director. Demolition or earthwork activities shall be halted when wind speeds (instantaneous gusts) exceed 25 MPH. All trucks hauling soil, sand, or other loose debris shall be covered.

CONSTRUCTION

108. If the project has excess fill or cut that will be off-hauled to a site or on-hauled from a site within the city limits of Gilroy, an additional permit is required. This statement must be added as a general note to the Grading and Drainage Plan.
109. The minimum soils sampling and testing frequency shall conform to Chapter 8 of the Caltrans Construction Manual. The subdivider shall require the soils engineer to daily submit all testing and sampling and reports to the City Engineer.
110. Prior to Final Map approval, the Developer/Applicant shall submit a proposed construction phasing and schedule for approval by the City Engineer. Schedule format shall be Microsoft Project, and shall identify the scheduled critical path for the installation of improvements. The schedule shall be updated weekly.
111. At least one week prior to commencement of work, the Developer shall post at the site and mail to the Engineering Division and to owners of property within (300') three hundred feet of the exterior boundary of the project site a notice that construction work will commence on or around the stated date. The notice shall include a list of contact persons with name, title, phone number and area of responsibility. The person responsible for maintaining the list shall be included. The list shall be current at all times and shall consist of persons with authority to initiate corrective action in their area of responsibility. The names of individuals responsible for dust, noise and litter control shall be expressly identified in the notice.

112. Prior to final inspections, all pertinent conditions of approval and all improvements shall be completed to the satisfaction of the Planning Director and City Engineer.
113. All work shown on the improvement plans shall be inspected. Uninspected work shall be removed as deemed appropriate by the Public Works Director.
114. All public improvements, including the complete installation of all improvements relative to streets, fencing, sanitary sewer, storm drainage, water system, underground utilities, etc., shall be completed and attested to by the City Engineer before approval of occupancy of any unit. Where facilities of other agencies are involved, such installation shall be verified as having been completed and accepted by those agencies.
115. Construction activity shall be restricted to the period between 7:00 a.m. to 7:00 p.m. Mondays through Fridays, Saturday 9:00 a.m. to 7:00 p.m. for general construction activity. No work shall be done on Sundays and City Holidays. The Public Works Director may apply additional construction period restrictions, as necessary, to accommodate standard commute traffic along arterial roadways and along school commute routes.
116. The City shall be notified at least two (2) working days prior to the start of any construction work and at that time the contractor shall provide a project schedule and a 24-hour emergency telephone number list.

CONSTRUCTION PARKING

117. No vehicle having a manufacturer's rated gross vehicle weight exceeding ten thousand (10,000) pounds shall be allowed to park on the portion of a street which abuts property in a residential zone without prior approval from the Public Works Director (§ 15.40.070).

MONUMENTS

118. All monuments shall be set per the recorded final map. A certificate letter by the Surveyor or Engineer will be provided to the City Engineer prior to project acceptance.

ACCEPTANCE

119. Certification of grades and compaction is required prior to Building Permit final. This statement must be added as a general note to the Grading and Drainage Plan.
120. Until such time as all improvements required are fully completed and accepted by City, Developer will be responsible for the care maintenance of and any damage to such improvements. City shall not, nor shall any officer or employee thereof, be liable or responsible for any accident, loss or damage, regardless of cause, happening or occurring to the work or Improvements required for this project prior to the completion and acceptance of the work or Improvements. All such risks shall be the responsibility of and are hereby assumed by the Developer.

121. The developer shall submit as-built plans for civil, landscape, electrical, joint trench.
122. The developer shall submit AutoCAD files each consultant's composite basemap linework showing all public and private improvements and utility layouts. Utility layers shall be clearly labeled to identify private and public status and separate pen color designated.

FIRE DEPARTMENT CONDITIONS

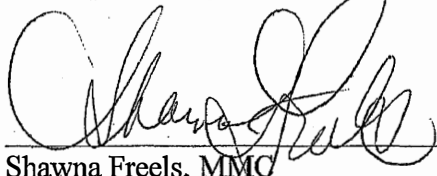
123. TM 16-02 Conditions shall be included on off-site improvement plans as "Fire Department Notes." Prior to street completion, the Fire Marshal shall be contacted and a fire clearance for off-site improvements be scheduled. No building permits will be issued without a Fire -Off-Site Improvement Inspection and Fire Flow Test administered by the Fire Marshal.
124. Open Spaces, including parcel A (between residential lots and the trail) and parcel C, shall have vegetation management to remove dead plants and debris, and to remove, disc or mow weeds during weed abatement season from April to November of each year. Trees in this area shall be limbed up 6' off the ground. In HOA managed areas the HOA shall be responsible. For privately owned property it shall be performed by the property owner.
125. Fire Hydrants shall be able to flow 1500 gpm with a 20 psi residual pressure shall be spaced every 300 ft., and within 150 ft. of any building. Blue reflectors shall be adhered to the road surface in front of each hydrant. Improvement plan shall provide Fire Hydrants per the City Standard. Hydrants shall be installed prior to commencement of construction with combustible materials. A hydrant flow test shall be performed by Fire Marshal prior to possession by the water department.
126. All homes shall be provided with water laterals and meters sized to allow for a residential NFPA 13d fire sprinkler system. Off-site improvement plan shall provide all homes shall be provided with 1.5 inch water laterals and 1" meters sized to allow for a residential NFPA 13d fire sprinkler system. Plot plans for tract homes shall specify that the house is to be provided with fire sprinklers.
127. Roadways shall provide a minimum 20 feet of unobstructed travel. Vertical clearance of not less than 13.5 ft. shall be provided. Turning radius shall not be less than 32' inside and 40' outside. Parking restrictions as follows: For road widths less than 28 ft., no parking on either side, road width less than 36 ft., no parking on one side, road width at or over 36 ft., parking not restricted.
128. Where parking is restricted, it shall be posted with signs for No Parking-Fire Lane and curbs shall be painted red. Include details in Off-Site improvement plans.
129. Final Map shall include a paragraph that reads: "Red curbing and signage shall be maintained by the Home Owners Association. A parking enforcement shall be

implemented by the Homeowners Association and lots A and C subject to vegetation management by the HOA.”

130. All individual lots (lots 1, 2, 9 – 14) that border open space must have non-combustible perimeter fences, as well as maintain a minimum 30 foot vegetation zone within their respective lots.
131. The homeowners association will be responsible for vegetation management for parcels A, B, and C.

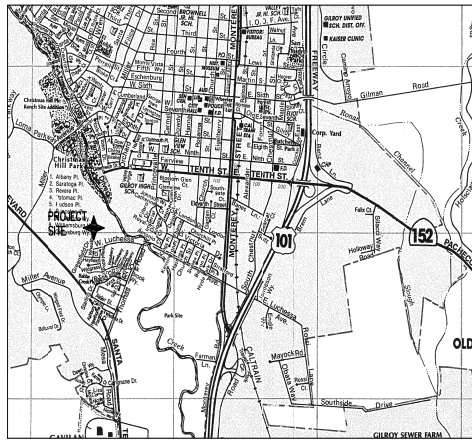
I, SHAWNA FREELS, City Clerk of the City of Gilroy, do hereby certify that the attached Resolution No. 2018-44 is an original resolution, or true and correct copy of a city Resolution, duly adopted by the Council of the City of Gilroy at a regular meeting of said Council held on the 5th day of November, 2018, at which meeting a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this 6th day of November, 2018.

A handwritten signature in cursive script, appearing to read "Shawna Freels", is written over a horizontal line.

Shawna Freels, MMC
City Clerk of the City of Gilroy

(Seal)

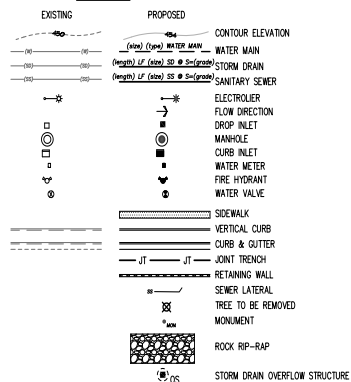


VICINITY MAP
NO SCALE

ABBREVIATIONS

AC	ASPHALT CONCRETE	FL	FLOWLINE	STD	STANDARD
AB	AGGREGATE BASE	G	GAS LINE	SW	SEWAGE
AD	AREA DRAIN	GM	GAS METER	T	TELEPHONE LINE
BD	BEGINNING OF CURVE	GB	GRADE BREAK	TBM	TEMPORARY BENCHMARK
BLDG	BUILDING	CUY	GUY WIRE FOR POLE	TC	TOP OF CURB
BOC	BACK OF CURB	GV	GATE VALVE	TOB	TOP OF BANK
BO	BLOW OFF	HP	HOT POINT	TOE	TOE OF BANK
BWF	BARB WIRE FENCE	INV	INVERT OF PIPE	TYP	TYPICAL
CATV	CABLE TELEVISION	IP	IRON PIPE	W	WATER LINE
CB	CATCH BASIN	J	JOINT POLE	WM	WATER METER
C	CURB INLET	JT	JOINT TRENCH	WV	WATER VALVE
CL	CENTERLINE	LP	LOW POINT		
CMF	CORRUGATED METAL PIPE	MAX	MAXIMUM		
CS	CLEAN OUT	MIN	MINIMUM		
CONC	CONCRETE	NI	NOT IN CONTRACT		
DI	DROP INLET	OHU	OVERHEAD UTILITY		
DIP	DUCTILE IRON PIPE	OS	OVERFLOW STRUCTURE		
DWY	DRIVEWAY	PB	PULL BOX		
E	ELECTRIC LINE	PL	PROPERTY LINE		
EC	END OF CURVE	P.S.E.	PUBLIC SERVICE EASEMENT		
EG	EXISTING GRADE	P.S.D.E.	PRIVATE STORM DRAIN EASEMENT		
ELEV	ELEVATION	PIV	POINT OF VERTICAL INTERSECTION		
EP	EDGE OF PAVEMENT	RCP	REINFORCED CONCRETE PIPE		
ER	END OF RETURN	R/W	RIGHT OF WAY		
(E)	EXISTING	SD	STORM DRAIN PIPE		
FF	FINISH FLOOR	SS	SANITARY SEWER PIPE		
FG	FINISH GRADE	STM	STORM DRAIN MANHOLE		
FH	FIRE HYDRANT	SMH	SANITARY SEWER MANHOLE		
		SP	SERVICE POLE		

LEGEND



PERVIOUS / IMPERVIOUS SURFACE AREA TABLE				
SITE ACREAGE	NUMBER OF LOTS	TOTAL PROJECT AREA OF DISTURBANCE (s.f.)	EXISTING IMPERVIOUS SURFACE AREA (s.f.)	PROPOSED IMPERVIOUS SURFACE AREA (s.f.)
8.56	14	203,753	0	57,769
EXISTING OF REPLACED PERVIOUS SURFACE AREA (s.f.)		PROPOSED OF REPLACED PERVIOUS SURFACE AREA (s.f.)	LIST OF PLANNED STORMWATER CONTROL MEASURES	
0		0	BIORETENTION POND	

NOTE:

WHERE THE FIRM OF HANNA & BRUNETTI DOES NOT PROVIDE CONSTRUCTION STAKES, SAID FIRM WILL ASSUME NO RESPONSIBILITY WHATSOEVER FOR IMPROVEMENTS CONSTRUCTED THEREFROM.

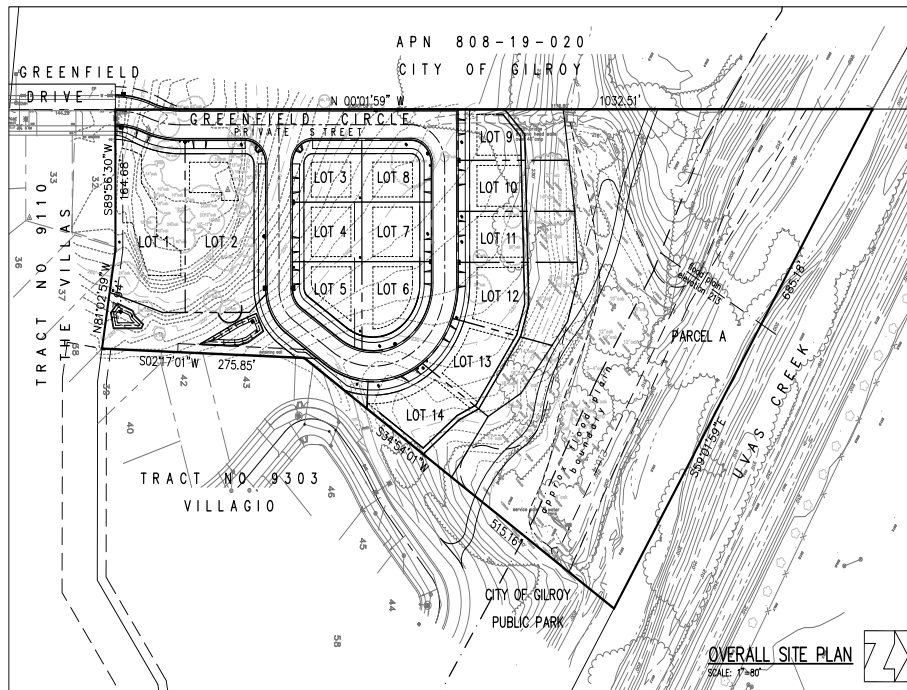
NOTE TO CONTRACTOR

CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR ENGINEER.

GRADING

CUT 1,063± C.Y.
FILL 20,721± C.Y.

THESE QUANTITIES DO NOT INCLUDE ANY SHORNFALL, SUBSIDENCE, OVER-EXCAVATION, OR ANY SPECIAL CONDITIONS OR REQUIREMENTS. THESE QUANTITIES IN THE AREA FOR PERMIT PURPOSES ONLY. ALL CONTRACTORS BIDDING ON THIS PROJECT SHOULD MAKE THEIR OWN DETERMINATION OF EARTHWORK QUANTITIES PRIOR TO SUBMITTING A BID. IF THIS PROJECT HAS EXCESS DIRT THAT WILL BE OFF-HAULED TO A SITE WITHIN GILROY'S CITY LIMITS, AN ADDITIONAL PERMIT IS REQUIRED.



EXISTING UNDERGROUND UTILITIES ARE SHOWN IN THEIR APPROXIMATE LOCATIONS BASED ON RECORD INFORMATION AVAILABLE TO THE ENGINEER AT THE TIME OF PREPARATION OF THESE PLANS. LOCATION MAY NOT HAVE BEEN VERIFIED IN THE FIELD AND NO GUARANTEE IS MADE AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SHOWN. THE CONTRACTOR SHALL NOTIFY UTILITY COMPANIES AT LEAST 2 WORKING DAYS IN ADVANCE OF CONSTRUCTION TO FIELD LOCATE UTILITIES. CALL UNDERGROUND SERVICE ALERT (U.S.A.) AT 1-800-442-2444. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO DETERMINE THE EXISTENCE AND LOCATION OF UTILITIES SHOWN ON THESE PLANS, INDICATED IN THE FIELD BY LOCATING SERVICES, OR EVIDENCE BY FACILITIES VISIBLE AT OR ADJACENT TO THE JOB SITE. ANY ADDITIONAL COST INCURRED AS A RESULT OF THE CONTRACTOR'S FAILURE TO VERIFY LOCATIONS OF EXISTING UTILITIES PRIOR TO BEGINNING CONSTRUCTION SHALL BE BORNE BY THE CONTRACTOR AND IS DEEMED INCLUDED AND MERGED IN THE CONTRACT UNIT PRICE.

Tentative Map

for
TM 16-02 Greenfield Drive
apn 808-20-008

in the
City of Gilroy
Santa Clara County, California

DATE: 18
HANNA - BRUNETTI
AMANDA JOY MUST-VERDEL
RCE 69278
EXPIRES 6-30-18



NOTES:

- IF ARCHAEOLOGICAL RESOURCES OR HUMAN REMAINS ARE DISCOVERED DURING CONSTRUCTION, WORK SHALL BE HALTED WITHIN 50 METERS (150 FEET) OF THE FIND UNTIL IT CAN BE EVACUATED BY A QUALIFIED PROFESSIONAL ARCHAEOLOGIST. IF THE FIND IS DETERMINED TO BE SIGNIFICANT, APPROPRIATE MITIGATION MEASURES SHALL BE FORMULATED AND IMPLEMENTED. IF HUMAN REMAINS ARE FOUND DURING CONSTRUCTION THERE SHALL BE NO FURTHER EXCAVATION OR DISTURBANCE OF THE SITE OR ANY NEARBY AREA REASONABLY SUSPECTED TO OVERLIE ADJACENT HUMAN REMAINS UNTIL THE CORNER OF SANTA CLARA COUNTY IS CONTACTED TO DETERMINE THAT NO INVESTIGATION OF THE CAUSE OF DEATH IS REQUIRED. IF THE CORNER DETERMINES THE REMAINS TO BE NATIVE AMERICAN THE CORNER SHALL CONTACT THE NATIVE AMERICAN HERITAGE COMMISSION WITHIN 24 HOURS. THE NATIVE AMERICAN HERITAGE COMMISSION SHALL IDENTIFY THE PERSON OR PERSONS IT BELIEVES TO BE THE MOST LIKELY DESCENDANT (MID) FROM THE DECEASED NATIVE AMERICAN. THE MID MAY THEN MAKE RECOMMENDATION TO THE LANDOWNER OR THE PERSON RESPONSIBLE FOR THE EXCAVATION WORK, FOR MEANS OF TREATING OR DISPOSING OF, WITH APPROPRIATE DIGNITY, THE HUMAN REMAINS AND ASSOCIATED GRAVE GOODS AS PROVIDED IN PUBLIC RESOURCES CODE SECTION 5097.96. THE LANDOWNER OR HIS AUTHORIZED REPRESENTATIVE SHALL REBURY THE NATIVE AMERICAN HUMAN REMAINS AND ASSOCIATED GRAVE GOODS WITH APPROPRIATE DIGNITY ON THE PROPERTY IN A LOCATION NOT SUBJECT TO FURTHER DISTURBANCE IF:
 - THE NATIVE AMERICAN HERITAGE COMMISSION IS UNABLE TO IDENTIFY A MID OR THE MID FAILED TO MAKE A RECOMMENDATION WITHIN 24 HOURS AFTER BEING NOTIFIED BY THE COMMISSION.
 - THE DESCENDANT IDENTIFIED FAILS TO MAKE A RECOMMENDATION; OR
 - THE LANDOWNER OR HIS AUTHORIZED REPRESENTATIVE REJECTS THE RECOMMENDATION OF THE DESCENDANT, AND THE MEDIATION BY THE NATIVE AMERICAN HERITAGE COMMISSION FAILS TO PROVIDE MEASURES ACCEPTABLE TO THE LANDOWNER. INCORPORATE THE FOLLOWING NOTE ON THE PROJECT PLANS: IF ARCHAEOLOGICAL RESOURCES OR HUMAN REMAINS ARE DISCOVERED DURING CONSTRUCTION, WORK SHALL BE HALTED WITHIN 50 METERS (165 FEET) OF THE FIND UNTIL A QUALIFIED PROFESSIONAL ARCHAEOLOGIST CAN EVALUATE IT. IF THE FIND IS DETERMINED TO BE SIGNIFICANT, APPROPRIATE MITIGATION MEASURES SHALL BE FORMULATED AND IMPLEMENTED.

PROJECT SUMMARY

ASSESSOR'S PARCEL NUMBER	808-20-008
PROJECT AREA	8.56 ACRES
LAND USE	VACANT
ZONING	R1 SINGLE FAMILY RESIDENTIAL
NUMBER OF LOTS	14
TOTAL AREA LOTS	148,098 S.F.
AVERAGE LOT SIZE	10,578 S.F.
ACTIVE WELLS	NONE
PARKING	28 ON-STREET

FLOODZONE STATEMENT

COMMUNITY PANEL NUMBER: 060850752N
COMMUNITY NUMBER: 060340 (CITY OF GILROY)
MAP REVISED: MAY 18, 2009
PROJECT IS LOCATED IN ZONE D AND AE
ZONE D
AREAS IN WHICH FLOOD HAZARDS ARE UNDETERMINED, BUT POSSIBLE
ZONE AE
BASE FLOOD ELEVATIONS DETERMINED

OWNER/DEVELOPER

JOHN TAFT
84 DYER
1230 FIRST STREET
GILROY, CA 95020

CIVIL ENGINEER

HANNA & BRUNETTI
7651 EGGLEBERRY STREET
GILROY, CA 95020
OFFICE: 408 842-2173
FAX: 408 842-3662
EMAIL: ENGINEERING@HANNABRUNETTI.COM

SHEET INDEX

- COVER SHEET
- GRADING & DRAINAGE PLAN
- CUT AND FILL PLAN
- SLOPE ANALYSIS MAP
- FIRE TRUCK TURNING EXHIBIT
- STORMWATER MANAGEMENT PLAN
- STORMWATER TREATMENT DETAILS

Tentative Map
TM 16-02 Greenfield Drive
CITY OF GILROY
FEBRUARY 2018

DATE	REVISIONS
FEBRUARY 2018	
HORIZ. SCALE: NONE	
VERT. SCALE: NONE	
DESIGNED BY: AM	
CHECKED BY: TM	
DRAWN BY: TM	

HANNA-BRUNETTI
CIVIL ENGINEERS - LAND SURVEYORS
CONSTRUCTION MANAGERS

REVISIONS:	BY:
DESCRIPTION	
DATE	
1	
OF 9	
JOB NO.	16011

GREENFIELD
DRIVE

REVISIONS:		
DATE	DESCRIPTION	BY:



DATE: FEBRUARY 2018
HORIZ. SCALE: $\Gamma = 20'$
VERT. SCALE: NONE
DESIGNED BY: AM
CHECKED BY: _____
DRAWN BY: _____ TM

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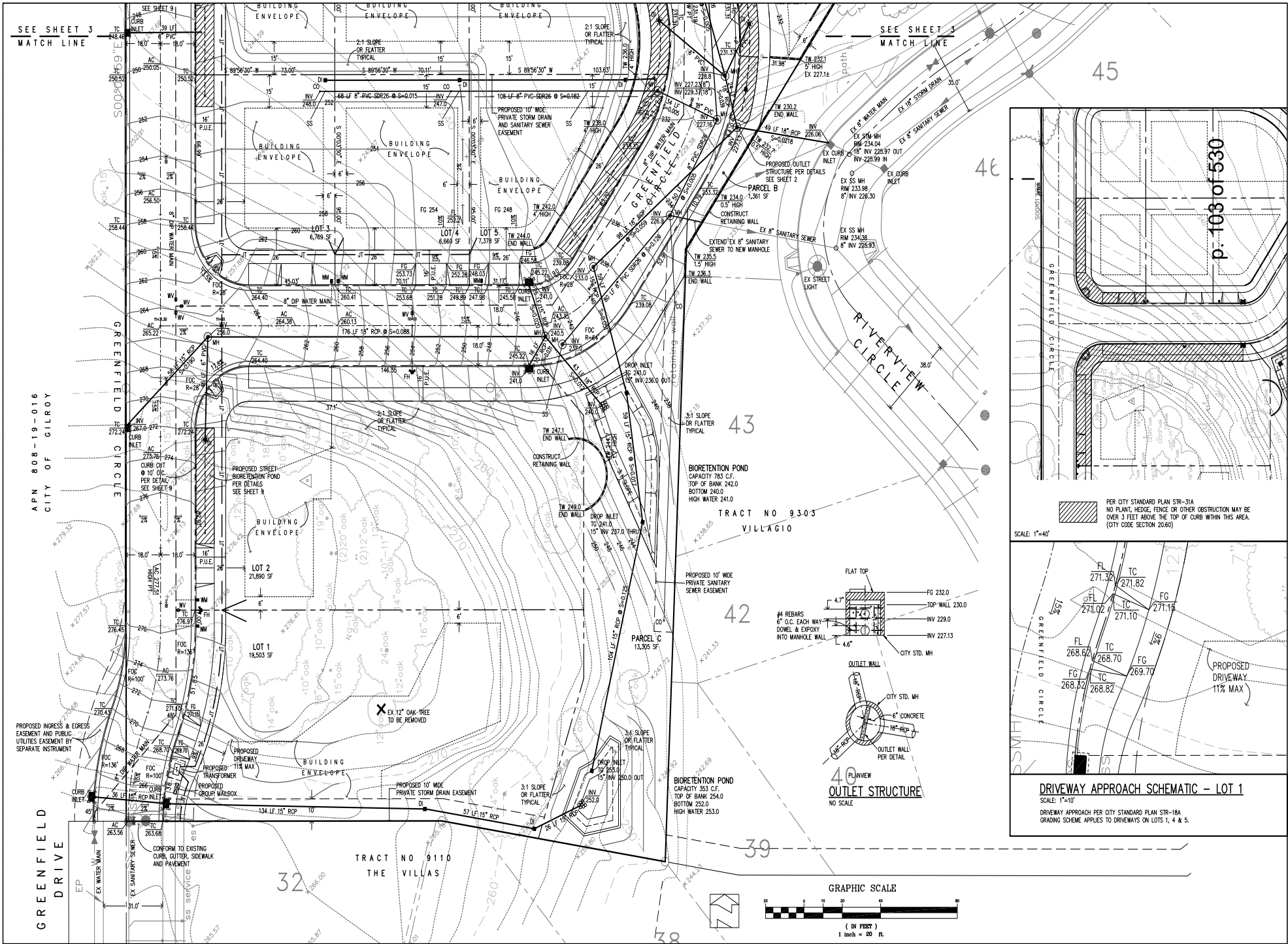
CITY OF GILROY
FEBRUARY 2018

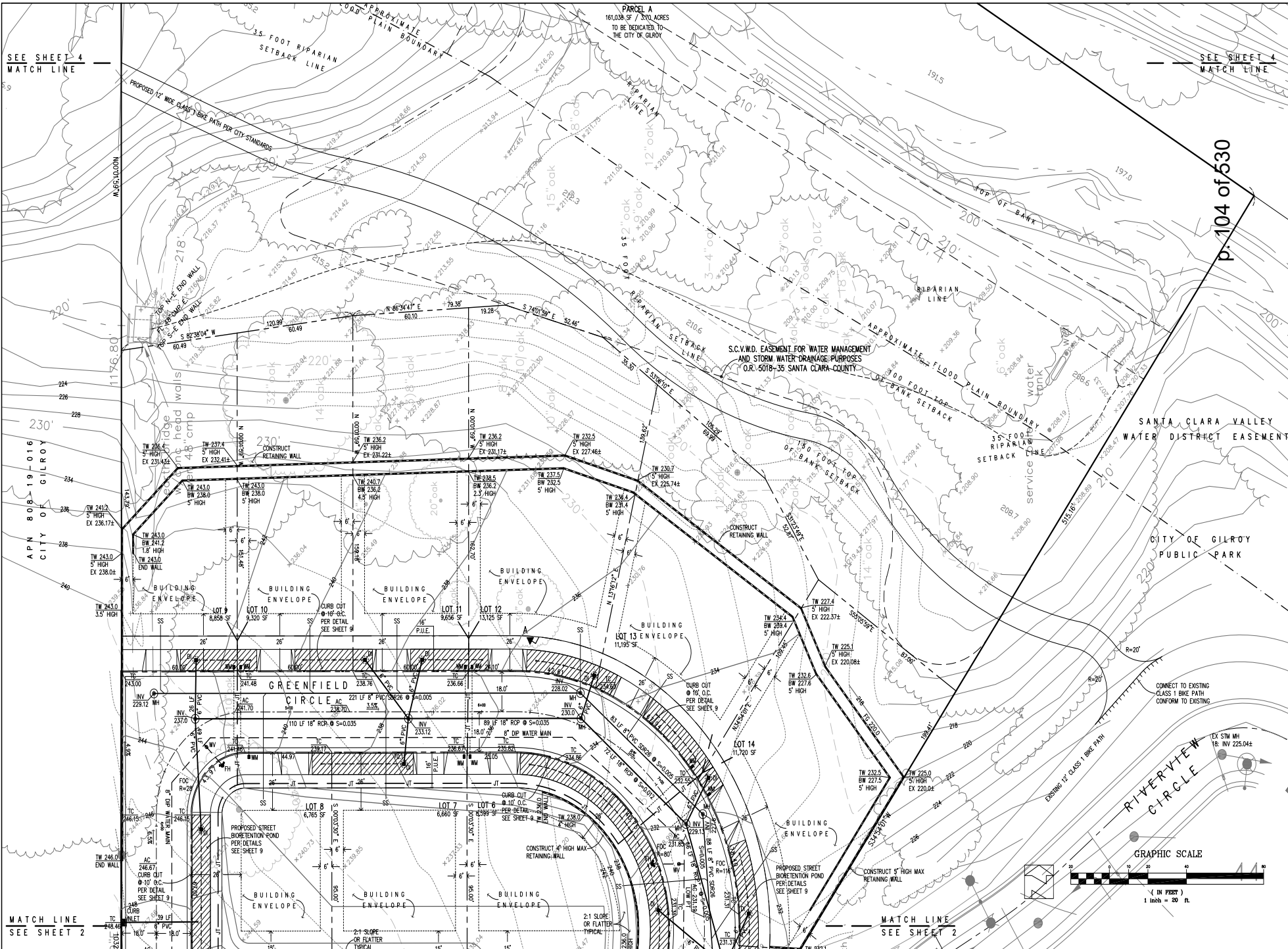
Grading & Drainage Plan

TM 16-02 Greenfield Drive - apr 808-20-008

SANTA CLARA COUNTY
CALIFORNIA

SHEET
2
OF 9
JOB NO. 16011





REVISONS:			 HANNA-BRUNETTI EST. 1910  CIVIL ENGINEERS - LAND SURVEYORS CONSTRUCTION MANAGERS	DATE: <u>FEBRUARY 10B</u>
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				DRAWN BY: _____ TM

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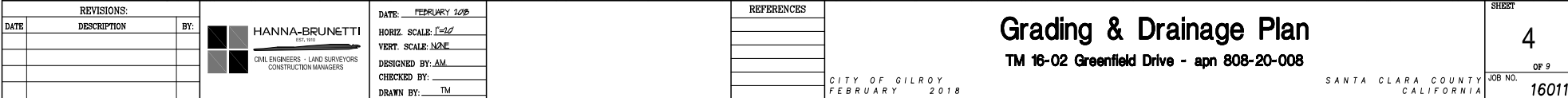
CITY OF GILROY
FEBRUARY 2018

Grading & Drainage Plan

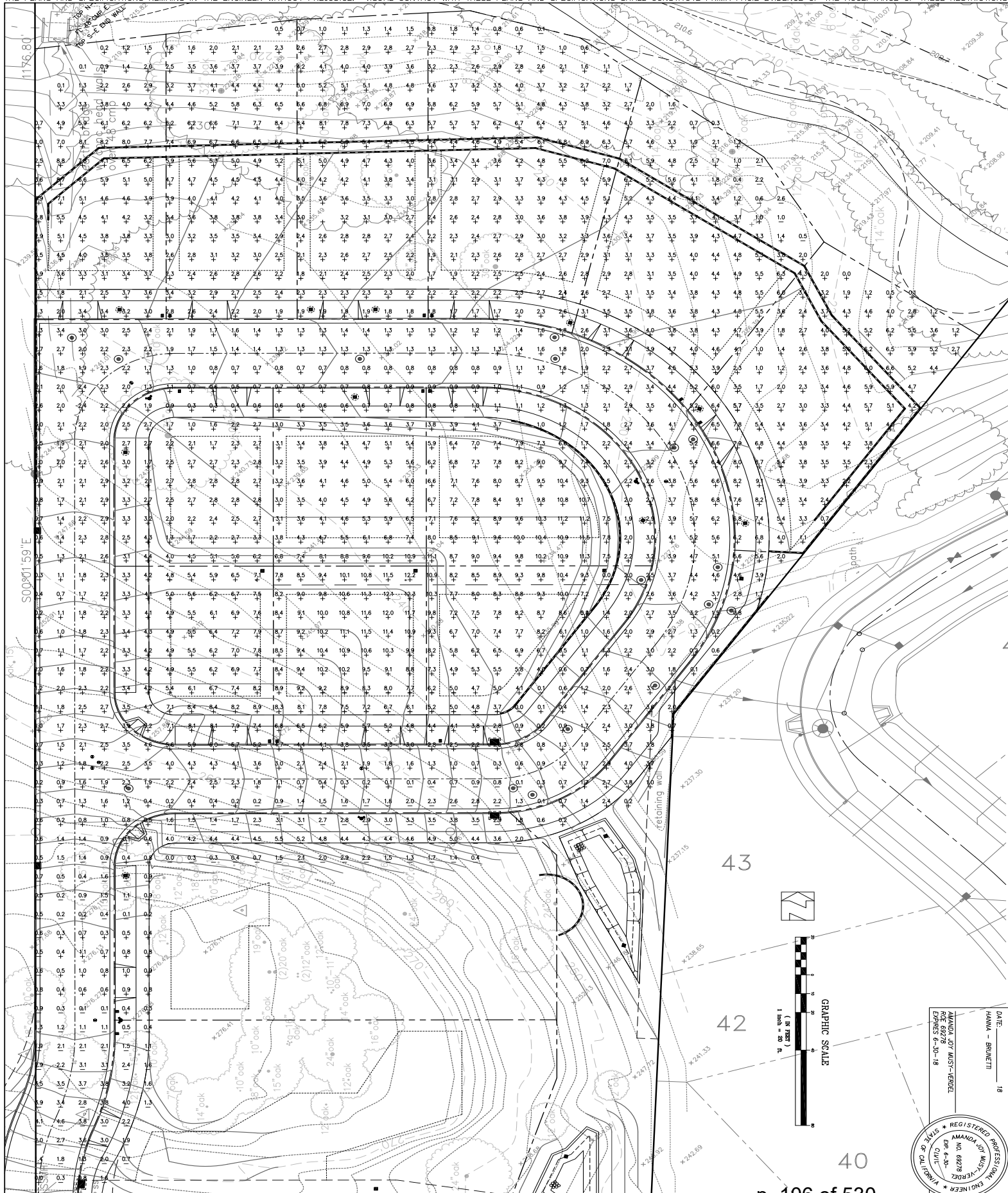
TM 16-02 Greenfield Drive - apn 808-20-008

SANTA CLARA COUNTY
CALIFORNIA

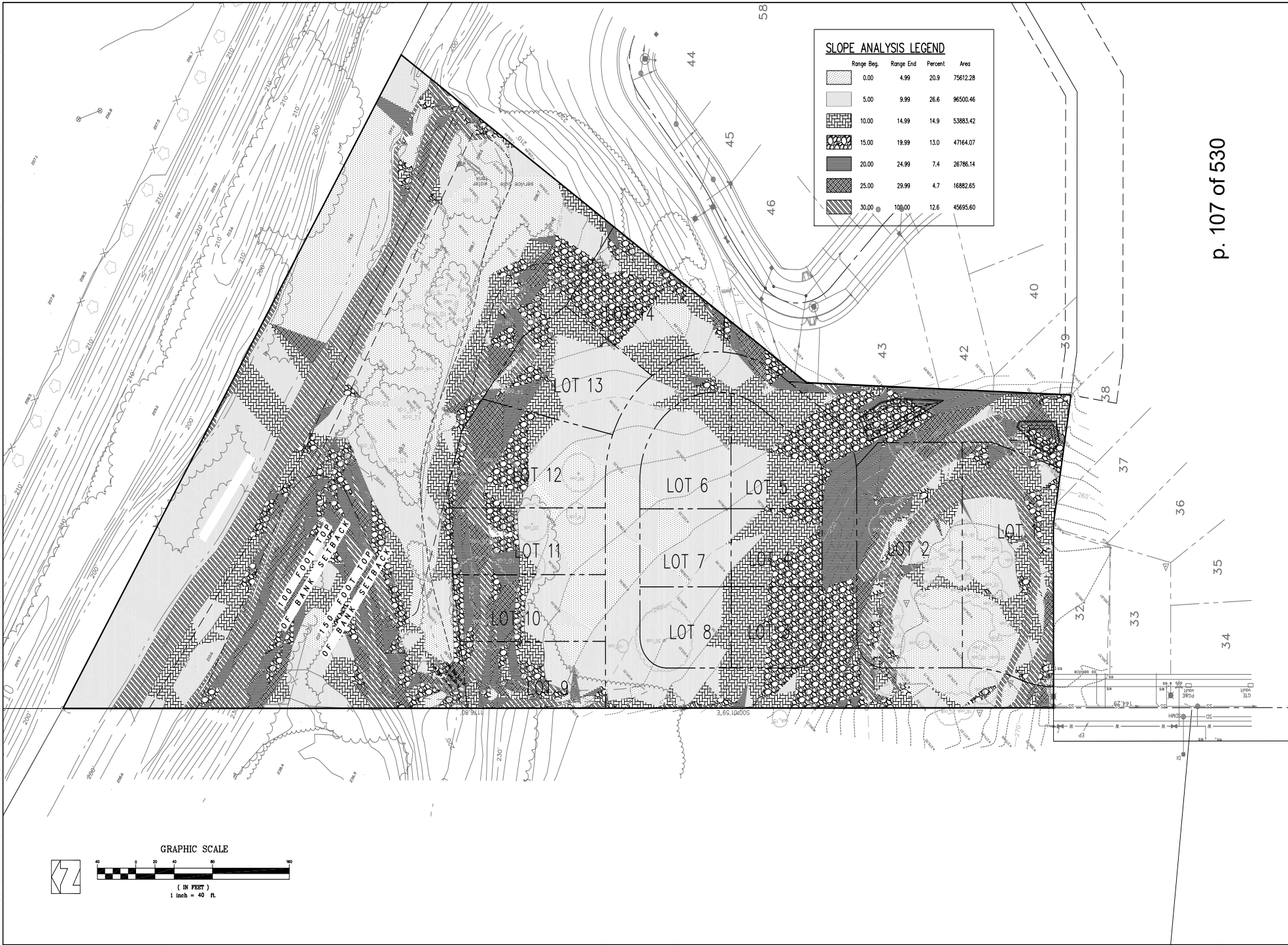
SHEET
3
OF 9
JOB NO. 1601



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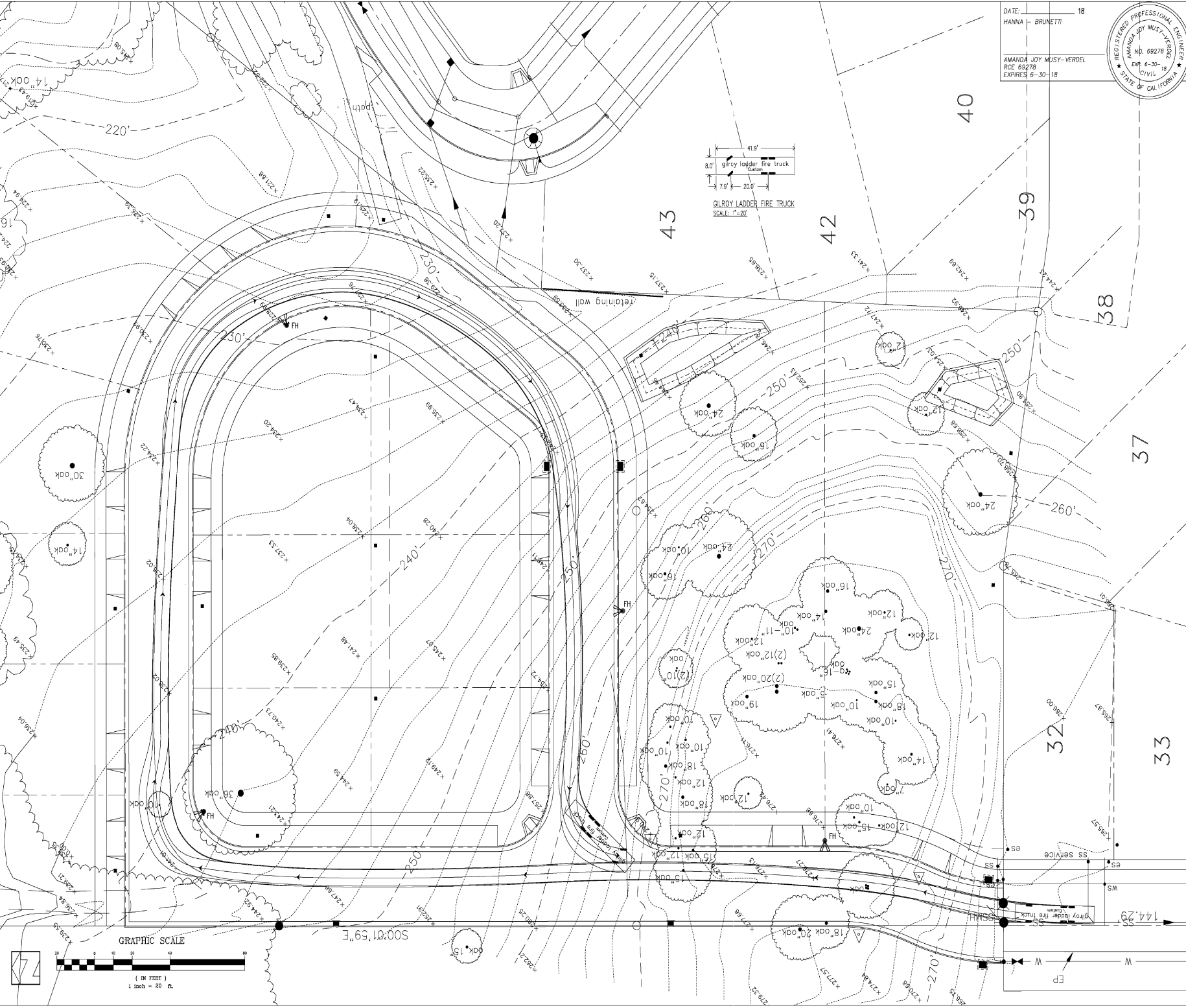


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REVISIONS: <table border="1"> <thead> <tr> <th>DATE</th> <th>DESCRIPTION</th> <th>BY:</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>			DATE	DESCRIPTION	BY:													HANNA-BRUNETTI EST. 1910 CIVIL ENGINEERS - LAND SURVEYORS CONSTRUCTION MANAGERS	DATE: FEBRUARY 2018 HORIZ. SCALE: 1"=40' VERT. SCALE: NONE DESIGNED BY: AM CHECKED BY: DRAWN BY: TM	REFERENCES <table border="1"> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table>						Slope Analysis Map TM 16-02 Greenfield Drive - apn 808-20-008 CITY OF GILROY FEBRUARY 2018	SANTA CLARA COUNTY CALIFORNIA	SHEET 6 OF 9 JOB NO. 16011
DATE	DESCRIPTION	BY:																										

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DATE: HANNA - BRUNETTI 18
AMANDA JOY MUSTY-VERDEL
RCE 69278
EXPIRES 6-30-18



DATE		DATE		DATE		DATE	
FEBRUARY 2018		FEBRUARY 2018		FEBRUARY 2018		FEBRUARY 2018	
HORIZ. SCALE 1"=20'		HORIZ. SCALE 1"=20'		HORIZ. SCALE 1"=20'		HORIZ. SCALE 1"=20'	
VERT. SCALE NONE		VERT. SCALE NONE		VERT. SCALE NONE		VERT. SCALE NONE	
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16011		16011		16011		16011	

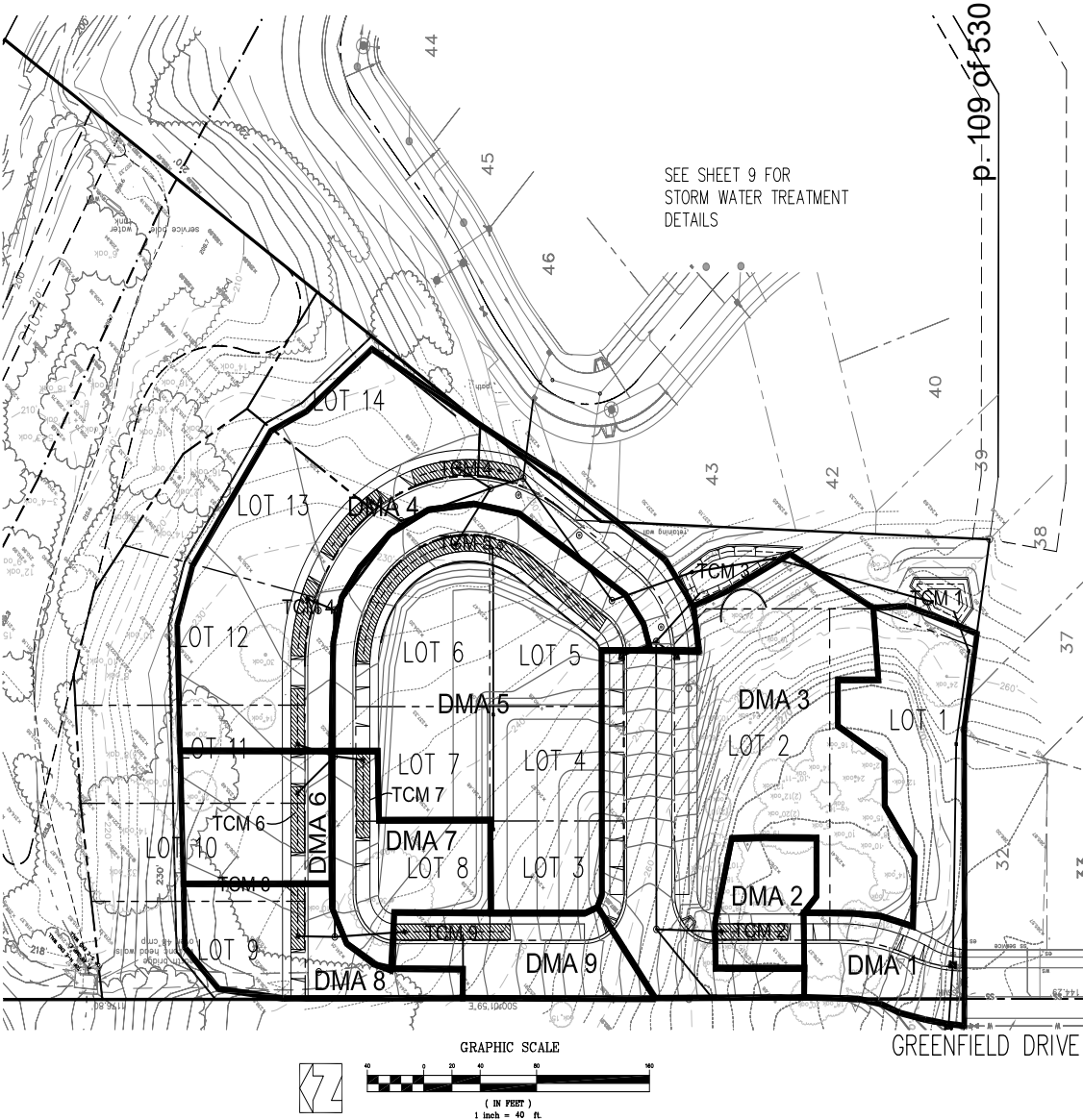


Fire Truck Turn
TM 16-02 Greenfield Drive
SANTA CLARA COUNTY
FEBRUARY 2018

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STORMWATER TREATMENT AREA										
DMA ID	TCM ID	DESCRIPTION OF AREA	TOTAL AREA (SF)	LANDSCAPE SELF-TREATING AREA (SF)	TREATMENT AREA HARDSCAPE/ROOF (SF)	TREATMENT AREA REQUIRED (SF) PER 4% RULE	TREATMENT AREA PROVIDED (SF)	TREATMENT VOLUME REQUIRED (CF)	TREATMENT VOLUME PROVIDED (CF)	TYPE OF TREATMENT PROVIDED
DMA 1	TCM 1	DRIVEWAY, SIDEWALK & LANDSCAPE	17,618	12,145	5,473	219	932	404	777	BIORETENTION
DMA 2	TCM 2	DRIVEWAY, SIDEWALK & LANDSCAPE	5,075	3,398	1,677	67	495	96	328	BIORETENTION
DMA 3	TCM 3	DRIVEWAY, SIDEWALK & LANDSCAPE	38,774	25,200	13,574	543	1,640	1115	1439	BIORETENTION
DMA 4	TCM 4	DRIVEWAY, SIDEWALK & LANDSCAPE	35,064	23,325	11,739	470	1,459	962	983	BIORETENTION
DMA 5	TCM 5	DRIVEWAY, SIDEWALK & LANDSCAPE	38,507	29,954	8,553	342	2,129	556	1436	BIORETENTION
DMA 6	TCM 6	DRIVEWAY, SIDEWALK & LANDSCAPE	8,520	4,505	4,015	161	448	325	351	BIORETENTION
DMA 7	TCM 7	DRIVEWAY, SIDEWALK & LANDSCAPE	8,793	5,308	3,485	139	497	266	329	BIORETENTION
DMA 8	TCM 8	DRIVEWAY, SIDEWALK & LANDSCAPE	8,884	6,178	2,706	108	286	283	290	BIORETENTION
DMA 9	TCM 9	DRIVEWAY, SIDEWALK & LANDSCAPE	7,846	1,299	6,547	262	773	497	514	BIORETENTION

*4% OF IMPERVIOUS AREA IN EACH DMA REQUIRED TO TREAT STORMWATER



REVISIONS:		
DATE	DESCRIPTION	BY:

 HANNA-BRUNETTI EST. 1910 CIVIL ENGINEERS • LAND SURVEYORS CONSTRUCTION MANAGERS

DATE: <u>FEBRUARY 2018</u>
HORIZ. SCALE: <u>1"=40'</u>
VERT. SCALE: <u>NONE</u>
DESIGNED BY: <u>AM</u>
CHECKED BY: <u> </u>
DRAWN BY: <u>TM</u>

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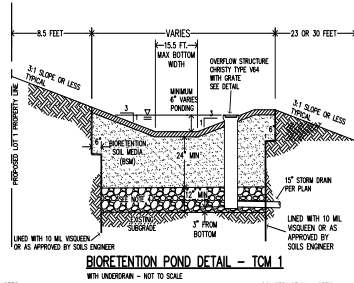
Stormwater Management Plan

TM 16-02 Greenfield Drive - apn 808-20-008

CITY OF GILROY
FEBRUARY 2018

SANTA CLARA COUNTY
CALIFORNIA

SHEET
8
OF 9
JOB NO.
16011

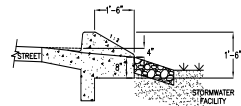
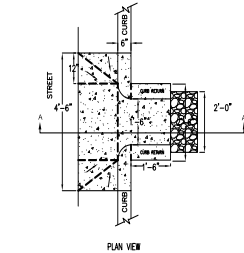


DESIGN NOTES

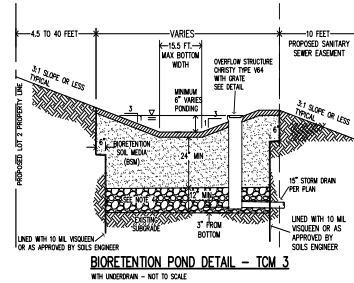
1. FULL DESIGN GUIDANCE PROVIDED IN BIORETENTION TECHNICAL SPECIFICATIONS DOCUMENT.
2. OVERFLOW STRUCTURE REQUIRED FOR IN-LINE SYSTEMS WITHOUT AN OVERFLOW BYPASS.
3. CURB AND SIDEWALK DETAILS MAY BE MODIFIED FOR PROJECT BY GEOTECHNICAL ENGINEER.
4. IF CALTRANS CLASS 2 PERMEABLE IS NOT AVAILABLE, SUBSTITUTE CLASS 3 PERMEABLE WITH AN OVERLAPPING 3" DEEP LAYER OF 3/4" (NO. 4) OPEN-SHED AGGREGATE.
5. BIORETENTION SOIL MEDIA (BOM) SPECIFICATION PER BIORETENTION TECHNICAL SPECIFICATIONS.
6. PLANTING DESIGN AND IRRIGATION PER BIORETENTION TECHNICAL SPECIFICATIONS.
7. MULCH (OPTIONAL) PER BIORETENTION TECHNICAL SPECIFICATIONS.
8. LOCATE ENERGY DISSIPATION COBBLE PADS AS SPECIFIED IN INLET DETAILS - AVOID DECORATIVE USE.

CONSTRUCTION NOTES

1. SCARP SUBGRADE BEFORE INSTALLING BIORETENTION AREA AGGREGATE AND BOM.
2. FACILITY EXCAVATION TO ALLOW FOR SPECIFIED SOIL AND MULCH DEPTHS TO ACHIEVE FINISHED ELEVATIONS ON CUL PLANS.
3. INSTALL UNDERDRAIN WITH HOLES FACING DOWN. UNDERDRAIN DEGRADE ELEVATION SHALL BE NEAR TOP OF AGGREGATE LAYER. UNDERDRAIN SLOPE MAY BE FLAT.
4. COMPACT EACH 4" LIFT OF BOM WITH LANDSCAPE ROLLER OR BY LIGHTLY METTING. IF METTING, LET DRY OVERNIGHT BEFORE PLANTING.
5. DO NOT WORK WITHIN BIORETENTION AREA DURING RAIN OR UNDER WET CONDITIONS.
6. KEEP HEAVY MACHINERY OUTSIDE BIORETENTION AREA LIMITS.



CURB CUT WITH SLOPE DETAIL
WITHOUT UNDERDRAIN - NOT TO SCALE

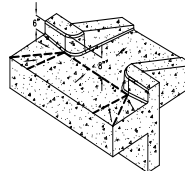


DESIGN NOTES

1. FULL DESIGN GUIDANCE PROVIDED IN BIORETENTION TECHNICAL SPECIFICATIONS DOCUMENT.
2. OVERFLOW STRUCTURE REQUIRED FOR IN-LINE SYSTEMS WITHOUT AN OVERFLOW BYPASS.
3. CURB AND SIDEWALK DETAILS MAY BE MODIFIED FOR PROJECT BY GEOTECHNICAL ENGINEER.
4. IF CALTRANS CLASS 2 PERMEABLE IS NOT AVAILABLE, SUBSTITUTE CLASS 3 PERMEABLE WITH AN OVERLAPPING 3" DEEP LAYER OF 3/4" (NO. 4) OPEN-SHED AGGREGATE.
5. BIORETENTION SOIL MEDIA (BOM) SPECIFICATION PER BIORETENTION TECHNICAL SPECIFICATIONS.
6. PLANTING DESIGN AND IRRIGATION PER BIORETENTION TECHNICAL SPECIFICATIONS.
7. MULCH (OPTIONAL) PER BIORETENTION TECHNICAL SPECIFICATIONS.
8. LOCATE ENERGY DISSIPATION COBBLE PADS AS SPECIFIED IN INLET DETAILS - AVOID DECORATIVE USE.

CONSTRUCTION NOTES

1. SCARP SUBGRADE BEFORE INSTALLING BIORETENTION AREA AGGREGATE AND BOM.
2. FACILITY EXCAVATION TO ALLOW FOR SPECIFIED SOIL AND MULCH DEPTHS TO ACHIEVE FINISHED ELEVATIONS ON CUL PLANS.
3. INSTALL UNDERDRAIN WITH HOLES FACING DOWN. UNDERDRAIN DEGRADE ELEVATION SHALL BE NEAR TOP OF AGGREGATE LAYER. UNDERDRAIN SLOPE MAY BE FLAT.
4. COMPACT EACH 4" LIFT OF BOM WITH LANDSCAPE ROLLER OR BY LIGHTLY METTING. IF METTING, LET DRY OVERNIGHT BEFORE PLANTING.
5. DO NOT WORK WITHIN BIORETENTION AREA DURING RAIN OR UNDER WET CONDITIONS.
6. KEEP HEAVY MACHINERY OUTSIDE BIORETENTION AREA LIMITS.

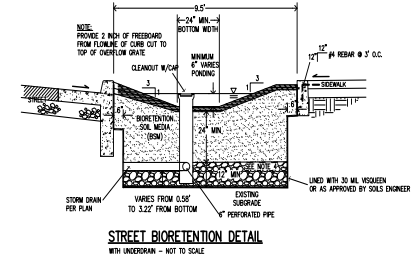


BIORETENTION DESIGN NOTES

1. FOR USE WITH STORMWATER FACILITIES WITH SIDE SLOPES.
2. PROVIDE SPOT ELEVATIONS ON PLANS (FE, OE, OE, E). SEE DETAIL 100.
3. CURB AND WALL DETAILS MAY BE MODIFIED BY CIVIL AND GEOTECHNICAL ENGINEERS.
4. WHERE INLET FLOW VELOCITY IS HIGH, EXTEND COBBLE INTO FACILITY, BUT AVOID EXCESSIVE USE.
5. CURB HEIGHT MAY BE REDUCED TO 4-INCHES WHERE ADJACENT TO A SIDEWALK. SEE DETAILS 110 & 111.

CONSTRUCTION NOTES

1. AFTER CONSTRUCTION PLACE SAND BAGS AT OUTER OPENINGS TO KEEP STORM FLOWS FROM ENTERING FACILITY UNTIL VEGETATION IS ESTABLISHED.



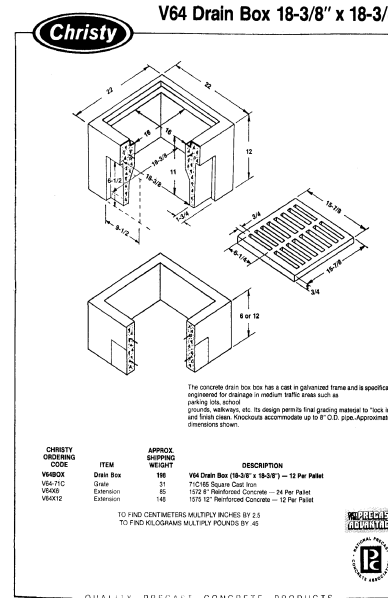
STREET BIORETENTION DETAIL
WITH UNDERDRAIN - NOT TO SCALE

DESIGN NOTES

1. FULL DESIGN GUIDANCE PROVIDED IN BIORETENTION TECHNICAL SPECIFICATIONS DOCUMENT.
2. OVERFLOW STRUCTURE REQUIRED FOR IN-LINE SYSTEMS WITHOUT AN OVERFLOW BYPASS.
3. CURB AND SIDEWALK DETAILS MAY BE MODIFIED FOR PROJECT BY GEOTECHNICAL ENGINEER.
4. IF CALTRANS CLASS 2 PERMEABLE IS NOT AVAILABLE, SUBSTITUTE CLASS 3 PERMEABLE WITH AN OVERLAPPING 3" DEEP LAYER OF 3/4" (NO. 4) OPEN-SHED AGGREGATE.
5. BIORETENTION SOIL MEDIA (BOM) SPECIFICATION PER BIORETENTION TECHNICAL SPECIFICATIONS. REFER TO APPENDIX C OF THE CALTRANS 2012 STANDARD SPECIFICATIONS.
6. PLANTING DESIGN AND IRRIGATION PER BIORETENTION TECHNICAL SPECIFICATIONS.
7. MULCH (OPTIONAL) PER BIORETENTION TECHNICAL SPECIFICATIONS. A MINIMUM 3-INCH LAYER OF COMPOSTED WOOD MULCH SHOULD BE PROVIDED ON ALL EXPOSED AREAS OF BIORETENTION SOIL.
8. LOCATE ENERGY DISSIPATION COBBLE PADS AS SPECIFIED IN INLET DETAILS - AVOID DECORATIVE USE.

CONSTRUCTION NOTES

1. SCARP SUBGRADE BEFORE INSTALLING BIORETENTION AREA AGGREGATE AND BOM.
2. FACILITY EXCAVATION TO ALLOW FOR SPECIFIED SOIL AND MULCH DEPTHS TO ACHIEVE FINISHED ELEVATIONS ON CUL PLANS.
3. INSTALL UNDERDRAIN WITH HOLES FACING DOWN. UNDERDRAIN DEGRADE ELEVATION SHALL BE NEAR TOP OF AGGREGATE LAYER. UNDERDRAIN SLOPE MAY BE FLAT.
4. COMPACT EACH 4" LIFT OF BOM WITH LANDSCAPE ROLLER OR BY LIGHTLY METTING. IF METTING, LET DRY OVERNIGHT BEFORE PLANTING.
5. DO NOT WORK WITHIN BIORETENTION AREA DURING RAIN OR UNDER WET CONDITIONS.
6. KEEP HEAVY MACHINERY OUTSIDE BIORETENTION AREA LIMITS.



REVISIONS:		
DATE	DESCRIPTION	BY:



DATE: FEBRUARY 2018
HORIZ. SCALE: 1"=40'
VERT. SCALE: NONE
DESIGNED BY: AM
CHECKED BY: TM
DRAWN BY: TM

REFERENCES

CITY OF GILROY
FEBRUARY 2018

Stormwater Treatment Details

TM 16-02 Greenfield Drive - apn 808-20-008

SANTA CLARA COUNTY
CALIFORNIA

SHEET
9
OF 9
JOB NO.
16011

RESOLUTION NO. 2023-__**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY APPROVING A TIME EXTENSION FOR TENTATIVE MAP TM 16-02 CREATING 14 SINGLE-FAMILY RESIDENTIAL LOTS, TWO COMMON PARCELS, ONE PUBLIC PARK PARCEL, LOCATED AT THE NORTHERLY TERMINUS OF GREENFIELD DRIVE AND SOUTH OF UVAS CREEK, APN 808-20-008, FILED BY JAMES SUNER**

WHEREAS, on November 5, 2018, the City Council of the City of Gilroy by Resolution No 2018-44 adopted a mitigated negative declaration and approved Tentative Map Application TM 16-02 for an initial period of two years, subject to 131 conditions and incorporating project mitigation measures; and

WHEREAS, on June 1, 2020, the City Council adopted Resolution No. 2020-33 that extended the expiration date of all tentative maps, architectural and site permits, and planned unit development approvals that were active during the COVID shelter in place order, through May 31, 2021; and

WHEREAS, on September 29, 2020, Assembly Bill No. 1561 Chapter 195 was enacted to amend Section 65583 and to add Section 65914.5 to the Government Code relating to land use, to extend by 18 months the period for the expiration of a housing entitlement that was issued before, and was in effect on, March 4, 2020, and that will expire before December 31, 2021; and

WHEREAS, legislative extensions granted by the State and City Council extended approval of TM 16-02 through November 30, 2022; and

WHEREAS, On November 30, 2022, James Suner submitted a Time Extension request for the Tentative Map TM 16-02; and

WHEREAS, On February 27, 2023, the City Council considered the time extension request; and

WHEREAS, the location and custodian of the documents or other materials that constitute the record of proceedings of TM 16-02 time extension request is the office of the City Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Gilroy hereby approves a 12-month time extension of time for TM 16-02, through November 30, 2023. Approval of TM 16-02 time extension shall include all other conditions of approval and mitigation measures applied to the project by City Council Resolution 2018-44, which are incorporated by reference herein.

PASSED AND ADOPTED this 27th day of February by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title: **Adopt an Ordinance of the City Council of the City of Gilroy Amending Chapter 19B of the Gilroy City Code Relating to Smoking Pollution Control to Prohibit Smoking at Multi-Family Housing Properties and Public Events Except in Designated Areas**

Meeting Date: February 27, 2023
 From: Jimmy Forbis, City Administrator
 Department: Administration
 Submitted By: Bryce Atkins, Assistant to the City Administrator
 Prepared By: Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Council adopt the ordinance

BACKGROUND

The item was initiated by Council on May 16, 2022, to agendize a discussion regarding Chapter 19B relating to smoking prohibitions. The item was heard by the City Council at the regular City Council meeting on October 3, 2022. At that time, the Council provided direction to bring back an ordinance banning smoking at multi-family housing properties as well as at public events. Staff began development and returned to Council at the January 23, 2023 meeting to receive additional feedback on a few of the ordinance provisions based upon its research. Having that feedback, staff completed the development of the proposed ordinance, and brought the proposed ordinance to Council for the introduction of the ordinance on February 6, 2023. There were no proposed changes, aside from a minor, clarifying change in the title of the ordinance, which was carried out.

ANALYSIS

The detailed analysis is included in the attached staff report from the introduction of the proposed ordinance on February 6, 2023.

ALTERNATIVES

Council may choose not to adopt the ordinance. This is not recommended, as the proposed ordinance was constructed with feedback from the City Council. Should Council not adopt the ordinance, either the ordinance would need to be revised and restart the adoption process, or the pursuit would be canceled, depending upon Council's action.

FISCAL IMPACT/FUNDING SOURCE

None. This ordinance would incur minimal costs for updating in the City Code and outreach about what it requires of multi-family housing properties. These costs will be borne within existing appropriations.

PUBLIC OUTREACH

This ordinance's introduction and adoption were advertised and discussed publicly at the February 6, 2023 regular Council meeting. The ordinance was included on the publicly posted agendas for the February 6, 2023, and February 27, 2023 regular City Council meetings.

NEXT STEPS

If adopted, staff will commence outreach to multi-family housing properties about the new requirements and include the prohibitions on special event permits for public events.

Attachments:

1. Proposed Ordinance
2. Ordinance Introduction Staff Report – February 6, 2023

ORDINANCE NO. 2023-XX**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING CHAPTER 19B OF THE GILROY CITY CODE RELATING TO SMOKING POLLUTION CONTROL TO PROHIBIT SMOKING AT MULTI-FAMILY HOUSING PROPERTIES AND PUBLIC EVENTS EXCEPT IN DESIGNATED AREAS**

WHEREAS, the City of Gilroy (City) is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, the U.S. Surgeon General has concluded that there is no risk-free level of exposure to secondhand smoke and the California Air Resources Board identified secondhand smoke as a toxic air contaminant for which there is no safe level of exposure; and

WHEREAS, according to the Centers for Disease Control, secondhand smoke is responsible for an estimated 34,000 heart disease-related and 7,300 lung cancer-related deaths among adult nonsmokers each year; and

WHEREAS, in children, secondhand smoke causes ear infections, more frequent and severe asthma attacks, respiratory infections, and increases the risk of Sudden Infant Death Syndrome (SIS); and

WHEREAS, research demonstrates that secondhand smoke in multi-unit housing can and does transfer between units, creeping under doorways and through wall cracks; and

WHEREAS, harmful residues from tobacco smoke can be absorbed by and cling to virtually all indoor surfaces long after smoking has stopped and then be emitted back into the air, making this a potential health hazard; and

WHEREAS, pursuant to California Health and Safety Code Section 118910, California cities and counties have the legal authority to adopt local laws that prohibit all tobacco use indoors and outdoors in areas not already covered by state law; and

WHEREAS, to provide for the public health, safety, and welfare by discouraging the inherently dangerous behavior of smoking around non-tobacco users, especially children, to protect the public from exposure to secondhand smoke where they live, work, and play, and to protect the public from nonconsensual exposure to secondhand smoke in and around their homes, the City desires to amend and add new sections to Chapter 19B of the Gilroy City Code relating to smoking within multi-unit housing properties and at public events.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GILROY DOES HEREBY ORDAIN AS FOLLOWS:

SECTION I

The foregoing recitals are true and correct and are incorporated herein by this reference.

p. 115 of 530

SECTION II

That Section 19B.1, entitled “Definitions”, shall be amended to read as follows.

19B.1 Definitions.

These definitions are not intended to be used in interpretation of the City’s Zoning Code or any other provisions of the Gilroy City Code except as used in this Chapter. The following words and phrases, whenever used in this chapter, shall be construed as follows:

“Bar” means any area or a room utilized primarily for the sale of intoxicating liquors for consumption by guests on the premises and in which the sale of food and the provision of entertainment are merely incidental to the sale of intoxicating liquors.

“Common Area” means every area of a Multi-unit Residence that residents of more than one unit are entitled to enter or use, including, but not limited to, halls, pathways, lobbies, courtyards, elevators, stairs, community rooms, playgrounds, gym facilities, swimming pools, parking garages, parking lots, grassy or landscaped areas, restrooms, laundry rooms, cooking areas, and eating areas.

“Employee” means any person who is employed by an employer in consideration for direct or indirect monetary wages or profit.

“Employer” means any person who employs the services of an individual person.

“Enclosed area” means an area in which outside air cannot circulate freely to all parts of the area, and includes an area that has any type of overhead cover whether or not that cover includes vents or other openings and at least three walls or other vertical boundaries of any height whether or not those boundaries include vents or other openings; or four walls or other vertical boundaries that exceed six feet in height whether or not those boundaries include vents or other openings.

“Multi-unit Residence” means property containing two or more attached units, including, but not limited to, apartment buildings, condominiums, duplexes and triplexes, attached single-family homes, senior and assisted living facilities, and long-term health care facilities. “Multi-unit Residences” do not include the following:

1. a hotel or motel that meets the requirements of California Civil Code section 1940(b)(2);
2. a mobile home park;
3. a campground; and
4. a detached single-family home with or without an attached or detached accessory dwelling unit, junior accessory dwelling unit, or second unit.

“Open to the public” means available for use by or accessible to the general public during the normal course of business conducted by either private or public entities.

“Park” means a park, playground, swimming pool, recreation center or any other area in the city, owned or used by the city and devoted to active or passive recreation, with the exceptions that “park” does not include the Gilroy Municipal Golf Course, Gilroy Gardens, or Christmas Hill Park during the Gilroy Garlic Festival.

“Person” means any natural person, business, cooperative association, nonprofit entity, personal representative, receiver, trustee, assignee, or other legal entity including government agencies.

“Public event” means any event which may be open to or attended by the general public, including a farmer’s market, parade, craft fair, or similar event. Public events may be located within an enclosed or unenclosed area to which the public is invited or in which the public is permitted. Smoking is permitted on streets and sidewalks being used in a traditional capacity as pedestrian or vehicular thoroughfares, unless it is being used in association with a public event, or otherwise prohibited by this chapter or other law. The prohibition of smoking at public events includes the full area permitted or identified as the boundaries of the public event, plus a reasonable distance area from the boundary of the event, as defined in this chapter.

“Restaurant” means any coffee shop, cafeteria, short order cafe, luncheonette, tavern, cocktail lounge, sandwich stand, soda fountain, private school cafeteria or eating establishment, and any other eating establishment, organization, club (including veterans club), boarding house, or guesthouse, the primary function of which is to give, sell or offer for sale food to the public, guests, patrons, or employees, except that the term “restaurant” shall not include a tavern or a cocktail lounge if said tavern or cocktail lounge is a bar as defined in this section.

“Reasonable Distance” means a distance of twenty-five (25) feet in any direction from any doorway, window opening, crack, or vent of any area where smoking is prohibited under of this chapter. Nothing in this definition shall limit or reduce the minimum smoking prohibition distance requirements for any publicly owned or utilized building or structure, subject to state or federal regulations.

“Smoke” or “smoking” means and includes inhaling or exhaling upon, burning or carrying any lighted smoking equipment for tobacco, or any other plant or product used for the personal habit commonly known as smoking.

“Unenclosed area” means any area that is not an enclosed area.

“Unit” means a personal dwelling space, even one lacking cooking facilities or private plumbing facilities, and includes any associated exclusive-use area, such as a private balcony, porch, deck, or patio. “Unit” includes, without limitation, an apartment; a condominium; a townhouse; a room in a senior facility; a room in a long-term health care facility, assisted living facility, community care facility, or hospital; a room in a hotel or motel; a dormitory room; a room in a single-room occupancy facility; a room in a homeless

shelter; a mobile home; a camper vehicle or tent; a single-family home; and an accessory dwelling unit, junior accessory dwelling unit, or second unit.

SECTION III

That Section 19B.2 shall be amended to read as follows.

19B.2 Smoking prohibited.

Labor Code Section 6404.5 prohibits smoking in enclosed places of employment (as defined in that code section) in the State of California. In addition, pursuant to Labor Code Section 6404.5, local governments retain the right to adopt and implement stricter anti-smoking requirements than are imposed pursuant to Labor Code Section 6404.5, including the right to regulate and prohibit smoking in any area not defined as a place of employment or in which smoking is not regulated pursuant to Labor Code Section 6404.5. This chapter is intended to supplement the provisions of Labor Code Section 6404.5. All places within the city shall be subject to the provisions of Labor Code Section 6404.5, as such section may be amended or recodified from time to time. In addition, smoking is prohibited in all of the following places within the city:

- (1) Outdoor Eating Areas. Fifty (50) percent of outdoor eating areas for all restaurants, which shall be reserved for nonsmokers.
- (2) Elevators. Elevators in buildings generally open to and used by the public, including elevators in apartment buildings, irrespective of the number of living units in such apartment buildings.
- (3) Hospitals and Health Care Facilities. Every public and private health care facility including, but not limited to, hospitals, clinics, and physicians and dentists offices, provided that smoking is permitted in patient smoking areas of long-term health care facilities, as defined in Section 1418 of the Health and Safety Code.
- (4) Places of Public Assembly. Hearing rooms or places of public assembly owned by the city or in which the business of the city, or any of its boards or commissions, is conducted.
- (5) Public Lobbies, Public Hallways. Waiting rooms, lobbies and public hallways of every building under direct or indirect control of the city.
- (6) Museums, Libraries, Galleries. All museums, libraries and galleries.
- (7) Designated Nonsmoking Areas. Any area of any business, governmental or charitable establishment which has been designated by the owner or person in charge of such establishment as a nonsmoking area and marked with a nonsmoking sign or signs. Exceptions set forth later in this chapter shall not apply to this subsection.
- (8) Public Restrooms. Public restrooms.

(9) Parks. Parks grounds and parking lot(s).

(10) Public Events as defined in Section 19B.1.

(11) Multi-unit housing as regulated by Section 19B.6.

SECTION IV

That Section 19B.6 shall be added to read as follows.

19B.6 Smoking prohibited - multi-unit housing

(a) Beginning April 1, 2023, smoking is prohibited and no person shall smoke inside any new or existing unit of a Multi-unit Residence, in any enclosed or unenclosed Common Area of a Multi-unit Residence, or within a Reasonable Distance of any operable doorway, window, opening, or vent of a Multi-unit Residence.

(b) Smoking is prohibited in Multi-unit Residences as provided in subsection (a) of this section, except that a person with legal control over a Common Area, or authorized representative, may designate a portion of the common area as a designated smoking area; provided, that at all times the designated smoking area complies with subsection (c) of this section.

(c) Designated Smoking Areas in Multi-unit Residences. A designated smoking area shall:

1. Be an Unenclosed Area;
2. Be a Reasonable Distance from Unenclosed Areas primarily used by children and unenclosed areas with improvements that facilitate physical activity including, for example, playgrounds, tennis courts, swimming pools, and school campuses;
3. Be a Reasonable Distance in any direction from any operable doorway, window, opening or other vent into an enclosed area that is located at the Multi-unit Residence and is a Nonsmoking Area;
4. Be a Reasonable Distance in any direction from a Nonsmoking Area and/or any operable doorway, window, opening or other vent into an enclosed area of adjacent private property;
5. Have a clearly marked perimeter;
6. Have a receptacle for cigarette butts that is emptied and maintained; and
7. Be identified by conspicuous signs.

(d) Smoking is prohibited in adjacent unenclosed property within a Reasonable Distance in any direction of any doorway, window, opening, or other vent into an enclosed area of a Multi-unit Residence.

(e) Common Areas Free from Smoking Waste. Persons with legal control over common areas in Multi-unit Residences, and their authorized representatives, shall ensure that all Common Areas except those meeting the requirements of subsection (C) of this section remain free of Smoking and tobacco waste, and ash trays, ash cans, or other receptacles designed for or primarily used for disposal of smoking and tobacco waste.

(f) Signage. “No smoking” signs shall be posted as required by Section 19B.4 of this chapter but are not required inside any unit of a Multi-unit Residence. Signs shall be maintained by the person or persons with legal control over the common areas or the authorized representative of such person.

(g) Lease Terms. Every lease or other rental agreement for the occupancy of a new or existing unit in a Multi-unit Residence entered into, renewed, or continued month-to-month after April 1, 2023 shall include the following:

1. A clause providing that it is a material breach of the agreement to Smoke or allow Smoking:
 - a. in the Unit, including exclusive-use areas such as balconies, porches, or patios; and
 - b. in any Common Area of the Multi-unit Residence other than a designated Smoking area.
2. A description of and/or image depicting the location(s) of any designated Smoking area(s) on the property, if any.
3. A clause expressly conveying third-party beneficiary status to all occupants of the Multi-unit Residence as to the Smoking provisions of the lease or other rental agreement. Such a clause shall provide that any tenant of the Multi-unit Residence may sue another tenant/owner to enforce the Smoking provisions of the agreement but that no tenant shall have the right to evict another tenant for a breach of the Smoking provisions of the agreement.

(h) Whether or not a landlord complies with subsection (g) of this section, the clauses required by that subsection shall be implied and incorporated by law into every agreement to which subsection (g) of this section applies and shall become effective as of the earliest possible date on which the landlord could have made the insertions pursuant to subsection (g) of this section.

(i) Other Requirements and Prohibitions

1. No Person shall dispose of used Smoking waste within the boundaries of an area in which Smoking is prohibited by this chapter.
2. The presence of Smoking waste receptacles in violation of subsection (i)(1) above or the absence of signs shall not be a defense to a violation of any provision of this chapter.
3. Each instance of Smoking in violation of this chapter shall constitute a separate violation. For violations other than Smoking, each day of a continuing violation of this chapter shall constitute a separate violation.

(j) Violation – penalty

1. For violations of this Section 19B.6, the remedies provided by this article are cumulative and in addition to any other remedies available at law or in equity. Except as otherwise provided, enforcement of this chapter is at the sole discretion of the city. Nothing in this chapter shall create a right of action in any person against the city or its agents to compel public enforcement of this article against any party.

2. Any person who violates any of the provisions of this Section 19B.6 shall be guilty of an infraction and upon conviction thereof shall be punished as provided in Chapter 1.7 or, in the alternative, subject to enforcement action pursuant to Chapter 6A.13: Administrative citation.
3. Any violation of this Section 19B.6 is hereby declared to be a public nuisance.
4. In addition to other remedies provided by this section or otherwise available at law or in equity, any violation of this section may be remedied by a civil action brought by the city attorney, including, without limitation, administrative or judicial nuisance abatement proceedings, civil code enforcement proceedings, and suits for injunctive relief.
5. Owners, operators, property managers, and officers of homeowners' associations for residential properties, whether rental or owner-occupied, are required to post signs in accordance with Section 19B.4 and provide notice to residents or tenants of the requirements of this Chapter. Owners, operators, and property managers of rental property must include the requirements of Section 19B.6(g) in their leases or other rental agreements. If the owners, operators, property managers, and officers of rental property and homeowners' associations for residential properties have satisfied these requirements, they shall not be responsible for violations of the requirements of this chapter by tenants or residents, guests, or invitees of tenants or residents.

SECTION V

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Gilroy hereby declares that it would have passed and adopted this ordinance, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION VI

This Ordinance shall take effect thirty (30) days after its adoption. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GILROY this 27th
day of February 2023 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title: Introduction of an Ordinance of the City Council of the City of Gilroy Amending Chapter 19B of the Gilroy City Code Relating to Smoking Pollution Control to Prohibit Smoking at Multi-family Housing Properties and Public Events

Meeting Date: February 6, 2023

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

Promote Safe Affordable Housing for All

RECOMMENDATION

1. Motion to read the ordinance by title only and waive further reading of the ordinance; and
2. Introduce an Ordinance of the City Council of the City of Gilroy Amending Chapter 19B of the Gilroy City Code Relating to Smoking Pollution Control to Prohibit Smoking at Multi-family Housing Properties and Public Events.

BACKGROUND

The item was initiated by Council on May 16, 2022, to agendize a discussion regarding Chapter 19B relating to smoking prohibitions. The item was heard by the City Council at the regular City Council meeting on October 3, 2022. At that time, the Council provided direction to bring back an ordinance banning smoking at multi-family housing properties as well as at public events. Staff began development and returned to Council at the January 23, 2023 meeting to receive additional feedback on a few of the ordinance provisions based upon its research. Having that feedback, staff completed the development of the proposed ordinance, and is before the Council for the introduction of the new ordinance.

ANALYSIS

Staff commenced a review of other municipal ordinances in Santa Clara County of ordinances relating to the prohibition of smoking at multi-family housing (MFH) properties, as well as at public events. Staff also received specific direction on key terms of prohibitions that were not specifically addressed in the direction but were in other example ordinances.

The proposed changes are described below. Attached to this staff report is the proposed ordinance effectuating the expanded prohibitions, as well as a redline edit that shows the changes to the Gilroy City Code if adopted.

19B.1 Definitions

These changes include definitions of terms in the new code language. Key new definitions include the establishment of MFH property as being of two or more units, as well as the exceptions for hotels, mobile home parks, and accessory dwelling units, to name a few. Additionally, the definition of Reasonable Distance is used to establish buffer zones around areas where smoking is prohibited. The third definition identified for specific attention is the definition of Public Event, which is any event that may be open to or attended by the general public, including a farmer's market, parade, craft fair, or similar event in which the public is invited or in which the public is permitted. Smoking is still permitted on streets and sidewalks being used in a traditional capacity as a pedestrian or vehicular thoroughfares unless it is being used in association with a public event, at which point if it is in the public event area or reasonable distance smoking will be prohibited. There are additional definitions contained in the ordinance to aid in interpreting the code language.

19B.2 Smoking Prohibited

Public events and MFH are added to the list of areas smoking is prohibited within.

19B.6 Smoking Prohibited – Multi-Family Housing

This is the addition that contains the regulations prohibiting smoking at MFH properties. The prohibition includes the requirement that the ban includes new and existing units, enclosed or unenclosed common areas, within a reasonable distance. There is an option for the property owner to have a designated smoking area provided the requirements contained in the ordinance are met is included in lease agreements, as well as granting the status of a third-party beneficiary to other tenants of MFH properties to sue tenants violating the code to enforce compliance. It also allows the City to enforce but does not require the City to enforce these provisions. Property owners and managers who follow the requirements of this chapter would not be responsible for violations of the requirements by tenants or residents, or their guests.

ALTERNATIVES

Council may modify or reject the proposed ordinance. Should Council wish to modify the proposed ordinance, staff will take those comments, modify the ordinance and restart the adoption process.

FISCAL IMPACT/FUNDING SOURCE

There are no anticipated fiscal impacts from the adoption of this ordinance aside from outreach efforts which will be absorbed within existing budget appropriations.

PUBLIC OUTREACH

There have been multiple agenda items on publicly posted meeting agendas for this topic. These include the meetings of October 3, 2022, and January 23, 2023, and this agenda. Additionally, this item was advertised in the newspaper for this introduction as well as adoption potentially on February 27, 2023.

NEXT STEPS

If Council introduces the ordinance, the ordinance will return to the following meeting of February 27, 2023, on the consent calendar.

Attachments:

1. Draft Ordinance
2. Gilroy City Code Chapter 19B – Redline edits



City of Gilroy

STAFF REPORT

Agenda Item Title: Adopt an Ordinance of the City Council of the City of Gilroy Amending Chapter 19C of the Gilroy City Code Relating to Social Host Accountability to Increase the Penalty Amounts and Increase the Period of Time for Issuing Citations

Meeting Date: February 27, 2023

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

Promote Safe Affordable Housing for All

RECOMMENDATION

Council adopt the ordinance.

BACKGROUND

At the June 6, 2022 Regular City Council Meeting, the City Council initiated a future agenda item to bring back the social host ordinance for review. The ordinance was reviewed at the January 9, 2023 Regular City Council Meeting, where the direction was received to increase the penalties for a first offense up to \$1,000 and increase the time period for issuing citations with the amount of time to be proposed by staff. Staff returned to Council on February 6, 2023, with a proposed ordinance to amend the penalty to \$1,000 for the first offense, and \$2,000 for the second and each subsequent offense. Additionally, the ordinance introduced establishes an extended window to issue citations, setting the timeframe for 180 days. No changes to the introduced ordinance were made.

ANALYSIS

The analysis was conducted on the staff report for the ordinance introduction, which is attached to this staff report.

ALTERNATIVES

Council may reject the ordinance. This is not recommended, as the ordinance is consistent with the direction given by the City Council. Should the City Council wish to amend the proposed ordinance, the adoption process would need to be restarted.

FISCAL IMPACT/FUNDING SOURCE

No direct fiscal impacts are expected from the adoption process. Revenues from penalties may be increased, depending on the number of violations that occur and are successfully cited.

PUBLIC OUTREACH

The ordinance was introduced at a public meeting of the City Council on February 6. The proposed ordinance and dates the item was before Council were advertised in the newspaper, and were listed on the publicly posted agendas for January 9, 2023, February 6, 2023, and the February 27, 2023 regular City Council meetings.

NEXT STEPS

If adopted, the ordinance will be transmitted to our City Code Publisher for the amendment to the City Code.

Attachments:

1. Proposed Ordinance Amending Chapter 19C - Social Host Accountability
2. Staff Report of February 6, 2023

ORDINANCE NO. 2023-XX**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING CHAPTER 19C OF THE GILROY CITY CODE RELATING TO SOCIAL HOST ACCOUNTABILITY TO INCREASE THE PENALTY AMOUNTS AND INCREASE THE PERIOD OF TIME FOR ISSUING CITATIONS**

WHEREAS, the City of Gilroy (City) is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, the occurrence of loud or unruly gatherings on private property where alcoholic beverages are served to, consumed by or in the possession of underage persons is harmful to the underage persons themselves, and is a threat to the public health, safety, or quiet enjoyment of residential property and the general welfare; and

WHEREAS, the imposition of administrative penalties on persons for loud or unruly gatherings where alcohol is consumed by, served to or in the possession of underage persons is a reasonable and necessary means to protect and promote the health, safety, and general welfare of the youth and other residents of the City of Gilroy; and

WHEREAS, the imposition of an administrative fee upon social hosts and/or landowners who knowingly allow such loud or unruly gatherings to occur on their premises, at their residence, or at rented facilities where alcoholic beverages are served to, consumed by, or in the possession of underage persons is a reasonable and necessary means to offset the municipal costs associated with providing fire, police and other emergency services to loud or unruly gatherings; and

WHEREAS, Ordinance 2007-14 was adopted on June 4, 2007 to establish Chapter 19C of the Gilroy City Code relating to social host accountability, including the establishment of fines and time period for issuance of administrative citations; and

WHEREAS, the City Council has determined that the fine amount is too low and desires to increase the fine amount associated with violations; and

WHEREAS, the time period of thirty (30) days after the violation to issue the citation is too short to be reasonable in the instances when multiple citations are possible and/or investigations into the violations are needed to determine proper citation issuance; and

WHEREAS, the City Council introduced the ordinance on February 6, 2023.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GILROY DOES HEREBY ORDAIN AS FOLLOWS:

SECTION I

The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION II

That Section 19C.4(a)(1) shall be amended to read as follows.

(1) Administrative Penalties. A first violation of this section shall result in a citation with a one-thousand-dollar (\$1,000.00) penalty. A second or subsequent violation within a twelve-month period shall result in a citation with a two-thousand-dollar (\$2,000.00) penalty.

SECTION III

That Section 19C.4(a)(2) shall be amended to read as follows.

(2) The police shall give notice of a violation of this section by issuing an administrative citation to any and all persons identified by the enforcement officer within one hundred eighty (180) days of the violation. The administrative citation shall also give notice of the right to request an administrative hearing to challenge the validity of the administrative citation and the time for requesting that hearing pursuant to section 19C.6 below.

SECTION IV

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Gilroy hereby declares that it would have passed and adopted this ordinance, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION V

This Ordinance shall take effect thirty (30) days after its adoption. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GILROY this 27th
day of February 2023 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title: Introduction of An Ordinance of the City Council of the City of Gilroy Amending Chapter 19C of the Gilroy City Code Relating to Social Host Accountability to Increase the Penalty Amounts and Increase the Period of Time for Issuing Citations

Meeting Date: February 6, 2023

From: Jimmy Forbis, City Administrator

Department: Administration

Submitted By: Bryce Atkins, Assistant to the City Administrator

Prepared By: Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

- a) Motion to read the ordinance by title only and waive further reading; and
- b) Introduce an Ordinance of the City Council of the City of Gilroy Amending Chapter 19C of the Gilroy City Code Relating to Social Host Accountability to Increase the Penalty Amounts and Increase the Period of Time for Issuing Citations.

BACKGROUND

At the June 6, 2022 Regular City Council Meeting, the City Council initiated a future agenda item to bring back the social host ordinance for review. The ordinance was reviewed at the January 9, 2023 Regular City Council Meeting, where direction was received to increase the penalties for a first offense up to \$1,000 and increase the time period for issuing citations with the amount of time to be proposed by staff.

ANALYSIS

There are no changes proposed relating to the regulatory nature of the ordinance. The only changes are those two that were requested for the enforcement of those regulations.

As such, attached is an ordinance for Council consideration to introduce for future adoption.

The ordinance amends Section 19C.4(a)(1) to change the initial penalty to \$1,000, the second and each subsequent offense to \$2,000. This would not change the third or subsequent violations by comparison, as the penalty is escalated in the second citation amount to the same amount as the third violation under the current code – \$2,000. This penalty structure is consistent with the Fireworks Host Liability penalties.

The ordinance also amends Section 19C.4(a)(2), to allow for administrative citations to be issued up to one-hundred eighty (180) days, roughly six months after the violation. Staff would seek to issue the citations as close to the violation date as possible, but in the instance of multiple citations, and/or if the investigation into the incident is required, this would provide a more reasonable amount of time for this work to be conducted and citations issued.

ALTERNATIVES

Council may adopt, amend, or reject the proposed ordinance.

FISCAL IMPACT/FUNDING SOURCE

There is no defined fiscal impact to the City as the revenue from penalties would only be triggered in the case of a violation. In the event of a violation being issued, the City would receive \$750 more per first violation, \$1,000 more for each second violation, and the penalty would be the same for the third and each subsequent violation.

PUBLIC OUTREACH

This item was discussed at the January 9, 2023 Regular City Council Meeting. Additionally, the introduction of this ordinance and its future date for adoption was advertised in the newspaper and this agenda item was included on the publicly posted agenda for this meeting.

NEXT STEPS

Should Council introduce the ordinance, the ordinance would be brought before Council on the February 27th regular Council Meeting for adoption.

Attachments:

1. Draft Social Host Accountability Amendment Ordinance



City of Gilroy

STAFF REPORT

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

Meeting Date: February 27, 2023

From: Jimmy Forbis, City Administrator

Department: Administrative Services

Submitted By: LeeAnn McPhillips, Assistant City Administrator

Prepared By: LeeAnn McPhillips, Assistant City Administrator

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 February 27, 2023 meeting:

- Claim of Loreen Clark

Attachments:

1. Claim of Loreen Clark

RECEIVED

7.7

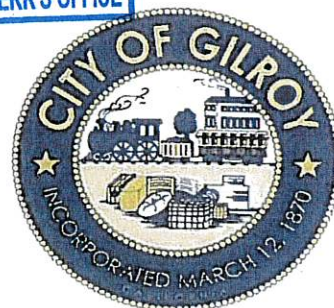
File With:
City Clerk's Office
7351 Rosanna Street
Gilroy, CA 95020-6141

CITY OF GILROY

CLAIM FOR DAMAGES

To Person Or Property

JAN 24 2023
CLAIM NO.
GILROY CITY CLERK'S OFFICE



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 09/24/1962

Name of Claimant
LOREEN CLARK

Occupation of Claimant
VETERINARIAN

Home Address of Claimant
7420 FILICE DR.
City and State
GILROY, CALIFORNIA

Home Telephone Number
408-482-9753

Business Address of Claimant
City and State

Business Telephone Number

Give address and telephone number to which you desire notices or communications to be sent regarding this claim:
OMAR HABBAS, ESQ.; HABBAS & ASSOCIATES; 675 N. FIRST ST. NO. 1000 SAN JOSE, CA 95112

Claimant's e-mail address

When did DAMAGE or INJURY occur?
Date 08/15/2022 Time APPROXIMATELY 8:30 AM

Names of any city employees involved in INJURY or DAMAGE:

If claim is for Equitable Indemnity, give date claimant served with the complaint:

UNKNOWN IF ANY.

Date N/A

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:

CLAIMANT WAS INJURED WHILE TRAVELING SOUTHBOUND ON SANTA THERESA DR. NEAR FOURTH STREET IN GILROY, CALIFORNIA. SEE ATTACHED PHOTOGRAPHS. APPROXIMATE GPS LOCATION: (37.006677, -121.584201)

Describe in detail the DAMAGE or INJURY occurred:

CLAIMANT SUSTAINED INJURY WHEN SHE TRIPPED AND FELL ON UNEVEN SIDEWALK PAVEMENT. SHE INJURED HER NECK, LEFT WRIST AND HAND AND FRACTURED 3 FINGERS. MS. CLARK ALSO CLAIMS LOST WAGES IN AN AMOUNT CURRENTLY UNCERTAIN.

Why do you claim the city is responsible?

THE CITY OF GILROY OWNED, CONTROLLED, MAINTAINED, AND HAD RESPONSIBILITY FOR THE SUBJECT SIDEWALK AT THE TIME OF THE INCIDENT. THE CITY FAILED TO MAINTAIN OR REPAIR THE SIDEWALK SO THAT MEMBERS OF THE PUBLIC COULD SAFELY USE WITHOUT ENDANGERING THEMSELVES.

Describe in detail each INJURY or DAMAGE:

CLAIMANT INJURED HER NECK, LEFT WRIST AND HAND AND FRACTURED 3 FINGERS.

p. 134 of 530

SEE PAGE 2 (OVER)

THIS CLAIM MUST BE SIGNED ON REVERSE SIDE

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

Damages incurred to date (exact):

Damage to property \$ _____
 Expenses for medical and hospital care \$ _____
 Loss of earnings \$ _____
 Special damages for \$ _____

Estimated prospective damages as far as known:

Future expenses for medical and hospital care . . . \$ _____
 Future loss of earnings \$ _____
 Other prospective special damages \$ _____
 Prospective general damages \$ _____
 Total estimate prospective damages \$ _____

General damages \$ _____
 Total damages incurred to date \$ _____

PURSUANT TO GOV'T CODE SECTION 910(f), NO
 SPECIFIC AMOUNT IS STATED. HOWEVER, THIS
 CLAIM EXCEEDS \$25,000.00 AND WILL NOT BE
 SUITABLE FOR FILING LIMITED CIVIL CASE.

Total amount claimed as of date of presentation of this claim: \$ _____

Was damage and/or injury investigated by police? NO. If so, what city? _____
 Were paramedics or ambulance called? NO. If so, name city or ambulance _____
 If injured, state date, time, name and address of doctor of your first visit 08/15/2022

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

Name UNKNOWN IF ANY. Address _____ Phone _____
 Name _____ Address _____ Phone _____
 Name _____ Address _____ Phone _____

DOCTORS and HOSPITALS: ** DEFERRED AS THIS FORM IS A PUBLIC DOCUMENT. THE INFORMATION WILL BE PROVIDED UPON REQUEST.

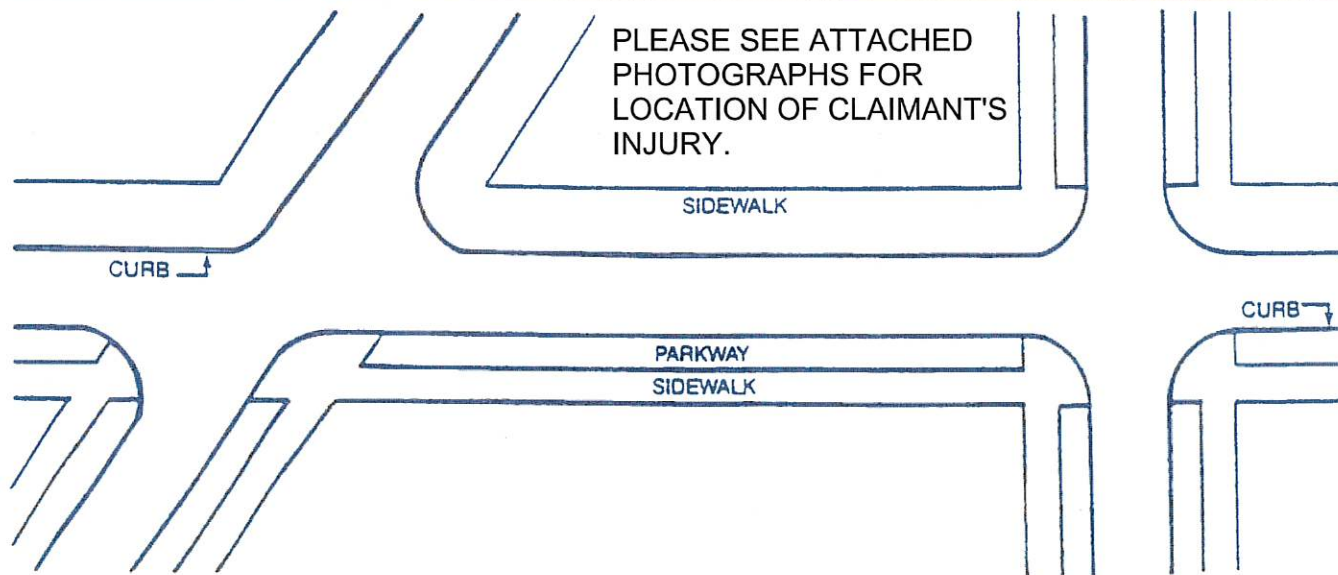
Hospital _____ Address _____ Date Hospitalized _____
 Doctor _____ Address _____ Date of Treatment _____
 Doctor _____ Address _____ Date of Treatment _____

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:

Joe Nykodym

Typed Name:

JOSEPH NYKODYM, ESQ.

Date:

1/20/23

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 Contract to Itech Solution in the Amount of \$134,140 with a project contingency of \$13,414 (10%) and Approve a Project Expenditure of \$147,554 for Gilroy Sports Park Playground Surface Repair, Project No. 23-PW-276

Meeting Date: February 27, 2023
 From: Jimmy Forbis, City Administrator
 Department: Public Works
 Submitted By: Daryl Jordan, Public Works Director
 Prepared By: Michael Lewis, Management Analyst

STRATEGIC PLAN GOALS

Ensure Neighborhood Equity from City Services

RECOMMENDATION

Award a contract to Itech Solution in the amount of \$134,140 with an additional project contingency of \$13,414 (10%), for a total construction cost of \$147,554 for the Gilroy Sports Park Playground Surface Repair, Project No. 23-PW-276, and authorize the City Administrator to execute the contract and associated documents.

EXECUTIVE SUMMARY

The State of California Department of Parks and Recreation, Office of Grants and Local Services (OGALS) allocates grant funds to cities and counties based on population under Proposition 68. OGALS offers two grant programs: 1) The General Per Capita Program and 2) the Urban County Per Capita Program. Through both programs, the City of Gilroy will receive \$78,750 for the Gilroy Sports Park Playground Surface Repair, Project No. 23-PW-276 (Project), approved by Resolution 2020-64 which was adopted by City Council on October 19, 2020.

Staff advertised the Project in the San Jose Mercury Newspaper, ARC Document Solutions, and on the City's website and received two bids. After a successful bid opening, staff recommends awarding a contract to the lowest responsive bidder, Itech

Solution. The contract price from the successful contractor will be \$147,554, including contingency.

BACKGROUND

The State of California Department of Parks and Recreation Office of Grants and Local Services allocates grant funds to cities and counties based on population with two grant programs under Proposition 68: 1) The General Per Capita Program and 2) the Urban County Per Capita.

On August 10, 2020, the City was notified that it received an allocation under the Proposition 68 General Per Capita Grant Program. The City's total allocation amount from the General Per Capita Program is \$177,952 and \$34,182 from the Urban County Per Capita for a total of \$212,134.

The City applied for funding in October 2020 for two projects, the San Ysidro Lighting/Picnic Area Improvement Project, and the Gilroy Sports Park Playground Surface Repair Project. The San Ysidro Lighting/Picnic Area Improvements Project would install/construct recreation features and support amenities at San Ysidro Park that are consistent with the Park and Recreation Master Plan's goal to "Pursue a variety of financing mechanisms for acquisition, development, long-term operations and maintenance of the parks and recreation system."

The Gilroy Sports Park Playground Surface Repair, Project No. 23-PW-276 received \$78,750 from this allocation which will assist in the repair of the badly damaged recycled playground rubber surface at Gilroy Sports Park. The current condition of the rubberized surface at the Gilroy Sports Park is in disarray, replete with numerous patches of missing rubber throughout the approximately 6,400 square foot area.

ANALYSIS

On October 19, 2020, the City Council approved Resolution 2020-64 which approved the filing of the project application.

On December 9, 2022, staff advertised the Project in the San Jose Mercury News, ARC Document Solutions, and on the City's website with a bid opening date of January 2, 2023. One addendum was issued on December 22, 2022, which contained answers to three questions regarding the project. Staff received two bids for the Project. A summary of the bid results is shown below:

RANK	COMPANY NAME	TOTAL BID AMOUNT
1	Itech Solution	\$134,140.00
2	VNH Builders	\$173,768.08

The lowest responsive bidder is Itech Solution with a total bid of \$134,140. The Engineer's Estimate was \$86,000. The engineer's estimate was low due to substantially increased petroleum and labor costs over the last two years. The lowest bid is 56% higher than the Engineer's Estimate.

Staff anticipates construction of the Project to begin in March 2023 and be completed by May 2023.

ALTERNATIVES

Council could choose to reject all bids. Staff does not recommend this option, as the City will lose this grant funding opportunity for the Gilroy Sports Park if not used by June 30, 2024. The costs associated with this project are also likely to rise if a new round of bidding occurs. The funding will provide much-needed attention and repairs to the playground area that children mainly frequent, improving safety and overall peace of mind.

FISCAL IMPACT/FUNDING SOURCE

Funding for this project would be drawn from the Landscaping Operating Budget of the General Fund (Fund 100) as there are sufficient budgetary savings to fund the contract.

The City will absorb the cost of the project initially and staff will invoice the State of California Department of Parks and Recreation's OGALS Division the amount of \$78,750 for reimbursement to the City.

The remaining \$68,804 will be funded by funds in the Landscaping Operating Budget in the current fiscal year.

NEXT STEPS

With Council approval, the contract with Itech Solution will be executed, and staff will work with the contractor to develop a final construction schedule to begin construction in March 2023.

Attachments:

1. Gilroy Sports Park Contractor Signed

**SECTION 00500
AGREEMENT**

**GILROY SPORTS PARK PLAYGROUND SURFACE REPAIR
PROJECT No. 23-PW-276**

THIS AGREEMENT, made this 27th day of February 2023, by and between the **City of Gilroy**, hereinafter called the “City”, and **Itech Solution** hereinafter called the “Contractor.”

W I T N E S S E T H:

WHEREAS, the City has caused the Contract Documents to be prepared comprised of bidding and contract requirements and technical specifications and drawings for the construction of the GILROY SPORTS PARK PLAYGROUND SURFACE REPAIR, 23-PW-276, as described therein, and

WHEREAS, the Contractor has offered to perform the proposed work in accordance with the terms of the Contract Documents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the City and Contractor agree as follows:

Article 1. Work.

Contractor shall complete the Work as specified or indicated in the Contract Documents.

Article 2. Contract Time.

The Work shall be completed by the Contractor in accordance with the Contract Documents within the time period required by Paragraph 00810-2.0, Time Allowed for Completion, subject to extension as expressly provided in the Contract Documents.

Article 3. Liquidated Damages.

The city and the contractor recognize that the city will suffer substantial damages and significant financial loss as a result of the contractor's delays in performance of the work described in the contract documents. The city and the contractor hereby acknowledge and agree that the damages and financial loss sustained as a result of any such delays in performance will be extremely difficult and impractical to ascertain. Therefore, the city and contractor hereby agree that in the event of such delays in performance, the city shall be entitled to compensation by way of liquidated damages (and not penalty) for the detriment resulting therefrom in accordance with paragraph 00700-6.5, liquidated damages, of the contract documents. The city and the contractor further agree that the amounts designated as liquidated damages are a reasonable estimate of the city's damages and financial loss in the event of any such delays in performance considering all of the circumstances existing as of the date of this agreement, including the relationship of such amounts to the range of harm to the city which reasonably could be anticipated as of the date of this agreement and the expectation that proof of actual damages would be extremely difficult and impractical.

By initialing this paragraph below, the parties hereto signify their approval and consent to the terms of this article 3.

City's Initials	MP Contractors Initials
---	---

Article 4. Contract Price.

In consideration of the Contractors performance of the Work in accordance with the Contract Documents, the City shall pay the Contract Price set forth in the Contract Documents.

Article 5. Contract Documents.

The Contract Documents which comprise the entire agreement between City and Contractor concerning the Work consist of this Agreement (Section 00500 of the Contract Documents) and the following, all of which are hereby incorporated into this Agreement by reference with the same force and effect as if set forth in full.

Invitation to Bid
Instructions to Bidders

Bid Documents
 Designation of Subcontractors
 Bid Guaranty Bond
 Agreement
 Acknowledgements
 Performance Bond
 Payment Bond
 General Conditions
 Supplementary Conditions
 General Requirements
 Standard Specifications (Caltrans, 2010 edition)
 Technical Specifications
 Drawings
 Addenda, if any
 Executed Change Orders, if any
 Maintenance Bond
 Notice of Award
 Notice to Proceed

Article 6. Miscellaneous.

Capitalized terms used in this Agreement which are defined in Section 01090, References, of the Contract Documents will have the meanings set forth in Section 01090, References.

Contractor shall not assign any rights, obligations, duties or responsibilities under or interest in the Contract Documents without the prior written consent of the City, which consent may be withheld by the City in its sole discretion. No assignment by the Contractor of any rights, obligations, duties or responsibilities under or interests in the Contract Documents will be binding on the City without the prior written consent of the City (which consent may be withheld in City's sole discretion); and specifically but without limitation monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, executed by the City, no assignment will release or discharge the assignor from any liability, duty, obligation, or responsibility under the Contract Documents.

Subject to the foregoing, the Contract Documents shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Nothing contained in the Contract Documents shall in any way constitute a personal obligation of or impose any personal liability on any employees, officers, directors,

agents or representatives of the City or its successor and assigns.

In accordance with California Business and Professions Code Section 7030, the Contractor is required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against Contractors if a complaint regarding a latent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning the Contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

IN WITNESS WHEREOF, this agreement has been executed on this
day of February 27, 2023.

itech solution

Name of Contractor

Signature of City



Signature of Contractor

City Administrator
Title of Signator

owner

Title of Signator

Approved as to form by
City Attorney

ATTEST:



Signature

ATTEST:

Signature

owner

Title of Signator

Title of Signator



City of Gilroy

STAFF REPORT

Agenda Item Title: **Approve an Amendment to the Agreement for Services with Alpine Landscapes for Community Facilities District (CFD) Landscape Maintenance Services to Include Trash and Debris Removal, the Annual Cost for the Expanded Service, Extend the Agreement for 18 Months, with a Total Cost of \$500,450 for the 18 Month Extension**

Meeting Date: February 27, 2023
 From: Jimmy Forbis, City Administrator
 Department: Public Works
 Submitted By: Daryl Jordan, Public Works Director
 Prepared By: Michael Lewis, Management Analyst

STRATEGIC PLAN GOALS

Maintain and Improve City Infrastructure

RECOMMENDATION

Approve an amendment with Alpine Landscapes to increase the annual contract amount by \$26,916 per year to a total amount of \$333,633 and extend the term of the existing agreement by 18 months for landscape and maintenance services and authorize the City Administrator to execute the amendment and related documents.

EXECUTIVE SUMMARY

The City of Gilroy currently contracts with Alpine Landscapes to provide landscape maintenance to Community Facilities District (CFD) sites throughout the City. This approval followed a formal bid process and evaluation of several vendors. The current contract will expire on February 28, 2023.

An amendment is being requested to extend the term of the agreement and to add garbage and debris removal services to the existing contract.

BACKGROUND

City Council approved a landscape maintenance contract with Alpine Landscapes on January 8, 2018, to augment landscape services throughout the City of Gilroy's CFD areas. The contract with Alpine expires on February 28, 2023.

New developments are required to include stormwater runoff Best Management Practices (BMPs) which are mostly landscaped infiltration treatment facilities and control measures. The most common BMPs in Gilroy are bio-swales and bio-detention basins for managing stormwater runoff generated by developments. Best maintenance practice regulations require mechanical, and not pesticide control of weeds, rodents, and other vegetation. Manual trash and sediment removal are routine service requirements including maintenance reports. In order to effectively manage these Stormwater Management (SWM) treatment areas, Community Facilities District (CFD) sites have been created.

The Community Facilities District is a financing mechanism for developments that do not have Homeowners' Associations (HOAs) that would otherwise manage development-required landscape elements. As such, the CFD contract cost is heavily impacted by the rigorous, manual maintenance required for these facilities.

The City's current contract with Alpine Landscape provides landscape maintenance for CFD sites in the city. The CFD landscape site maintenance expenses are paid out of Fund 260 (Community Facilities District Fund). Residential properties in the CFD areas are assessed the cost to maintain the sites under the district financing procedures.

ANALYSIS

Alpine Landscapes continues to provide the City with excellent maintenance services and has proven to be responsive to any needs that arise. Parks staff has been pleased by the quality of work that Alpine Landscapes provides for the maintenance and upkeep of CFD areas. To continue the services outlined in the contract, staff is recommending an amendment to be approved to include trash and debris removal in the scope of work. Staff is also recommending that the current agreement with Alpine Landscapes be extended by 18 months to expire on August 31, 2024.

The revised total not-to-exceed annual contract amount under this amendment is \$333,633 per year. At this new annual rate, the cost for the additional 6 months is \$166,817. The additional year would be \$333,633, for a combined total of \$500,450 for the full 18-month period.

The City recently conducted a Request for Proposal (RFP) process for landscape maintenance services. The proposals received were evaluated by the Public Works Department and notices of intent to award were issued which were subsequently subjected to protests. After further review of the protests and the City's process for scoping the services and evaluating the proposals, it was determined revisions are

warranted in the City's procurement process of the service. Since the current agreement is set to expire at the end of the month, staff determined it is in the best interest of the City to cancel the RFPs and extend the existing agreement. This will provide continuity of services and allow staff time to refine the RFP process and update the evaluation criteria/metrics. Staff is recommending an 18-month extension, however, staff will plan on conducting the next RFP process in about 12 months to allow sufficient time for the process and ensure there is ample notice/transition period should the provider of the services change as a result of the next RFP process.

ALTERNATIVES

Council could choose not to award the extension with Alpine Landscapes. Not using Alpine Landscapes for this work would require an increase in staff time to conduct the landscape maintenance work and would divert resources from other core services. Current staffing levels do not support the amount of work needed to maintain the entirety of the CFD area, as such, the City heavily relies on contractors to perform the work.

FISCAL IMPACT/FUNDING SOURCE

Funding for the landscape maintenance services would be drawn from Fund 260 (Community Facilities District Fund) out of the Contractual Services budget. There is sufficient funding to support the contract through the remainder of the fiscal year and services will be budgeted for future years via the budget development process.

Current Annual Contract Amount = \$306,717

Increase to Annual Amount = \$26,916

- o Trash and Debris Removal - \$11,580
- o 5% CPI (Consumer Price Index) increase - \$15,336

Revised Annual Contract Amount = \$333,633

Plus 6 additional months = \$166,817

Plus 12 additional months = \$333,633

Total contract extension increase = \$500,450

NEXT STEPS

With Council approval of the contract with Alpine Landscapes, staff will finalize the agreement and continue landscape services with the Contractor.

Attachments:

1. Alpine Landscapes – Fourth Amendment Contractor Signed
2. Alpine Landscapes – Third Amendment
3. Alpine Landscapes – Second Amendment
4. Alpine Landscapes – First Amendment
5. Alpine Landscapes – CFD Parks Landscape Maintenance Services

**FOURTH AMENDMENT TO AGREEMENT FOR SERVICES WITH ALPINE
LANDSCAPES FOR COMMUNITY FACILITIES DISTRICT (CFD) LANDSCAPE
MAINTENANCE SERVICES**

This Fourth Amendment to the Agreement for Services ("Fourth Amendment") is made and entered into as of February 22, 2023 ("Effective Date"), by and between the City of Gilroy, a California municipal corporation ("CITY"), and Alpine Landscapes ("CONTRACTOR").

WHEREAS, CITY and CONTRACTOR are parties to that certain Agreement for Services, effective on March 1, 2018, hereinafter referred to as "Original Agreement"; and

WHEREAS, CITY and CONTRACTOR have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Article TERM OF AGREEMENT of the Original Agreement shall be amended to read as follows:

"This Agreement will become effective on March 1, 2018 and will continue in effect through August 31, 2024 unless terminated in accordance with the provisions of Article 7 in 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."

2. Exhibit D of the Original Agreement shall be amended by the addition of the following services to the Scope of Work:

- Trash & Debris Disposal

3. Article COMPENSATION (Consideration) of the Original Agreement shall be amended to read as follows:

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 **annual** compensation paid to CONTRACTOR exceed **\$333,633.**"

3. This Amendment shall be effective on March 1, 2023.

4. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

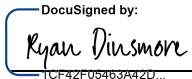
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CITY OF GILROY

By: _____
[signature]
Jimmy Forbis
[employee name]
City Administrator
[title/department]

Date: _____

ALPINE LANDSCAPES

By:  _____
[signature]
Ryan Dinsmore
[name]
President/Owner
[title]

Date: 2/22/2023

Approved as to Form

City Attorney

ATTEST:

City Clerk

**THIRD AMENDMENT TO AGREEMENT FOR SERVICES WITH ALPINE LANDSCAPES
FOR COMMUNITY FACILITIES DISTRICT (CFD) LANDSCAPE MAINTENANCE
SERVICES**

This Third Amendment to the Agreement for Services ("Third Amendment") is made and entered into as of May 1, 2022 ("Effective Date"), by and between the City of Gilroy, a California municipal corporation ("CITY"), and Alpine Landscapes ("CONTRACTOR").

WHEREAS, the City of Gilroy, a municipal corporation ("City"), and Alpine Landscapes entered into that certain agreement entitled Agreement with Alpine Landscapes for Community Facilities District (CFD) Landscape Maintenance effective on March 1, 2018 hereinafter referred to as "Original Agreement"; and

WHEREAS, City and Alpine Landscapes have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. Exhibit D of the Original Agreement shall be amended by the addition of the following sites to the Scope of Work:

- Harvest Park II Cohansey Ave Median Only
- Cougar Court

2. Article COMPENSATION (Consideration) of the Original Agreement shall be amended to read as follows:

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 **annual** compensation paid to CONTRACTOR exceed **\$306,717.00.**"

3. This Amendment shall be effective on May 1, 2022.

4. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

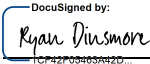
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CITY OF GILROY

By: _____
[signature]
Jimmy Forbis
[employee name]
City Administrator
[title/department]

Date: _____

ALPINE LANDSCAPES

By:  _____
[signature]
Ryan Dinsmore
[name]
President/Owner
[title]

Date: 6/8/2022

Approved as to Form

City Attorney

ATTEST:

City Clerk

**SECOND AMENDMENT TO AGREEMENT FOR SERVICES WITH ALPINE LANDSCAPES
FOR (CFD) LANDSCAPE MAINTENANCE SERVICES**

This Second Amendment to the Agreement for Services ("Second Amendment") is made and entered into as of February 24, 2021 ("Effective Date"), by and between the City of Gilroy, a California municipal corporation ("CITY"), and Alpine Landscapes ("CONTRACTOR").

WHEREAS, CITY and CONTRACTOR are parties to that certain Agreement for Services, effective on January 4, 2018, hereinafter referred to as "Original Agreement"; and

WHEREAS, CITY and CONTRACTOR have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Article TERM OF AGREEMENT of the Original Agreement shall be amended to read as follows:

"This Agreement will become effective on March 1, 2018 and will continue in effect through February 28, 2023 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."

2. This Amendment shall be effective on February 26, 2021.

3. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CONTRACTOR:

Alpine Landscapes

By:



[signature]
Ryan Dinsmore

[employee name]
President/Owner

[title/department]

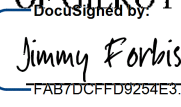
Date:

2/24/2021

CITY:

CITY OF GILROY

By:



[signature]
Jimmy Forbis

[name]
City Administrator

[title]

Date:

Approved as to Form:

DocuSigned by:

Andy Faber

1979C9EB3B68470...
City Attorney

Attest:

DocuSigned by:

LeeAnn McPhillips

805A427654AF40B...
City Clerk

**FIRST AMENDMENT TO AGREEMENT FOR SERVICES WITH ALPINE LANDSCAPES
FOR (CFD) LANDSCAPE MAINTENANCE SERVICES**

This First Amendment to the Agreement for Services ("First Amendment") is made and entered into as of August 28, 2019 ("Effective Date"), by and between the City of Gilroy, a California municipal corporation ("CITY"), and Alpine Landscapes ("CONTRACTOR").

WHEREAS, CITY and CONTRACTOR are parties to that certain Agreement for Services, effective on January 4, 2018, hereinafter referred to as "Original Agreement"; and

WHEREAS, CITY and CONTRACTOR have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Article COMPENSATION (Consideration) of the Original Agreement shall be amended to read as follows:

Consideration

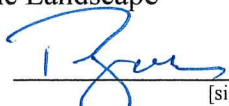
"In consideration for the services to be performed by CONTRACTOR, CITY agrees to pay CONTRACTOR the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total **annual** compensation paid to CONTRACTOR exceed **\$262,477.00**."

2. This Amendment shall be effective on August 28, 2019.
3. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.
4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CONTRACTOR:

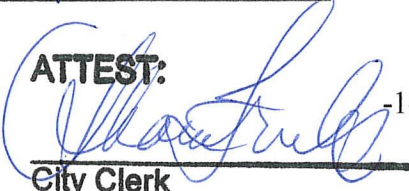
Alpine Landscape

By: 
[signature]
Ryan Dinsmore
[employee name]
President/Owner
[title/department]

Date: 9/5/2019

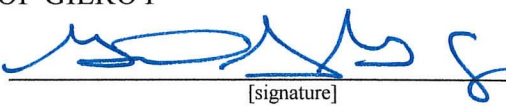
4845-8215-5540v1
MDOLINGER\04706083

ATTEST:


City Clerk

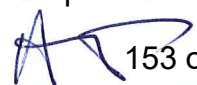
CITY:

CITY OF GILROY

By: 
[signature]
Gabriel A. Gonzalez
[name]
City Administrator
[title]

Date: 9/25/19
Approved as to Form:

Gilroy City Attorney's Office

By:  153 of 530
City Attorney

AGREEMENT FOR SERVICES

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

This AGREEMENT made this 4 day of January, 2018, between:

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

and CONTRACTOR: Alpine Landscapes, having a principal place of business at 8595 Murray Ave., Gilroy, CA 95020.

TERM OF AGREEMENT

This Agreement will become effective on March 1, 2018 and will continue in effect through February 28, 2021 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.

RD
Initial

INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONTRACTOR is an independent contractor and not an employee, agent, joint venture 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.

SERVICES TO BE PERFORMED BY CONTRACTOR

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").

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.

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.

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.

COMPENSATION

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 **\$262,480.00**.

Invoices

CONTRACTOR shall submit invoices for all services rendered.

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.

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."**

OBLIGATIONS OF CONTRACTOR

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.

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.

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.

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.

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.

State and Federal Taxes

The CONTRACTOR is not a 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.

Prevailing Wage

The CONTRACTOR agrees and acknowledges that it is its obligation to determine whether, and to what extent, the work performed under this Agreement is subject to any Codes, Ordinances, Resolutions, Rules and other Regulations and established policies of the City and the laws of the State of California, the United States, the California Labor Code and Public Contract Code relating to public contracting and prevailing wage laws. The CONTRACTOR shall ensure that all subcontractors are informed and are required to pay prevailing wages in compliance with the California Labor Code and the regulations thereunder. It shall be the duty of the CONTRACTOR to post a copy of applicable prevailing wages at the job site. Prevailing wage information may be obtained at www.dir.ca.gov.

OBLIGATIONS OF CITY

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.

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.

TERMINATION OF AGREEMENT

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.

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.

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.

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.

GENERAL PROVISIONS

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

Time of the Essence

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

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.

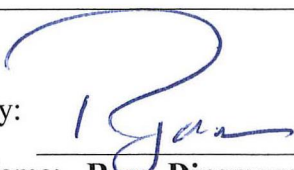
Executed at Gilroy, California, on the date and year first above written.

CONTRACTOR:

CITY:

Alpine Landscape

CITY OF GILROY

By: 

By: 

Name: **Ryan Dinsmore**

Name: **Gabriel Gonzalez**

Title: **President/Owner**

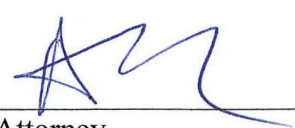
Title: **City Administrator**

Social Security or Taxpayer

Identification Number **770295843**

Approved as to Form

ATTEST:


City Attorney

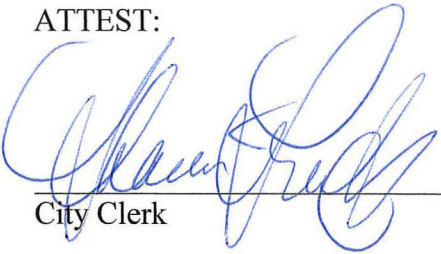

City Clerk

EXHIBIT "A"

SPECIFIC PROVISIONS

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 **Bill Headley, Parks Supervisor**, 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.

NOTICE TO PROCEED/COMPLETION OF SERVICE

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, **Bill Headley, Parks Supervisor** 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"**.

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.

PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit "C"**.

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.

OTHER PROVISIONS

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, and 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.

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.

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.

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.

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.

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.

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.

NOTICES.

Notices are to be sent as follows:

CITY: Bill Headley, Parks Supervisor
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

CONTRACTOR: Ryan Dinsmore, President/Owner
Alpine Landscapes
8595 Murray Avenue
Gilroy, CA 95020

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.

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.

Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

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.

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EXHIBIT "B"
SCOPE OF SERVICES

LANDSCAPE STANDARDS AND SPECIFICATIONS

1. Landscape Maintenance Areas

Landscape maintenance areas shall consist of parks, landscaped City facilities, slope areas, medians, streetscapes, and trails, drainage channels, identified in the Contract Landscape Location Information Sheets. These areas shall include, but not limited to all turf, trees, shrubs, ground covers, planters, slopes, vines, sidewalks, paths, courts, courtyards, parking lots, roadways, medians, opens space areas, gutters, v-ditch, bike trails, street barriers, fence lines and irrigations systems.

2. Normal Hours and Days of Maintenance Services

- a. Contractor shall perform the required maintenance service daily between the hours of 7:00 a.m. and 6:00 p.m., five days per week. No maintenance functions that generate excess noise, which would cause annoyance to residents of the area before 8am.
- b. The Contractor shall conduct the work at all times in a manner which will not interfere with normal recreation programs, special events, pedestrian traffic on adjacent sidewalks or vehicular traffic on adjacent streets.
- c. Any modification in the hours and days of maintenance services as stated in the Contractor's Service Schedules/ Calendars are subject to approval by the City.

3. Personnel

- a. **Positive public relations** are an important part of this contract service. Services provide under the CFD landscape service contact are a critical part of providing and maintaining these important public use facilities. Contract staff serves a vital role in delivering these public services. Contract staff must maintain both professional image and behavior whenever in contact with citizens. Contract staff shall be trained on how to handle public contact and provide the appropriate customer service. Contract staff must always maintain a neat and clean appearance and be easily identified by some type of company uniform.
- b. A **background** review and security clearance for all on-site contract employees is required. Contractor shall provide all needed information to the City's representative and make employees available for finger printing at a site to be determined. Contractor shall provide any background information needed for Department of Justice (DOJ) and Department of Motor Vehicles (DMV) drivers' record review. Further, a one-time drug testing or evidence of drug screening maybe required for background review. All cost for background checks will be paid by contractor.
- c. The Contractor shall provide personnel fully **trained** in all phases of landscape irrigation systems operation, maintenance, adjustments, and repair; in all types of components to include irrigation controllers, valves, moisture sensing devices, and sprinkler heads; and with all brands and models of irrigation equipment used within the City.
- d. The Contractor shall provide personnel knowledgeable of, and be proficient in, current **water management** concepts, with the capability of working with City staff in implementing more advanced water management strategies.
- e. The Contractor shall provide personnel capable of **verbal and written communication** in professional level English. Site Supervisor and Irrigation Tech shall have cell phone with email access.
- f. The City expects the Contractor's staff to give to city representative(s) all **items lost or**

misplaced by the general public, regardless of perceived value found on contract sites. The Contractor shall communicate this expectation to all employees.

- g. Contract employees shall carry an ID badge with their photo provided by the City Human Resources Department. Contract employees shall produce photo ID when requested.
- h. The City will provide mandatory BMP training for all contract landscape maintenance staff regarding storm water management and operational best practices. City will provide Spanish/English translator.
- i. A contractor's representative shall attend City's annual traffic safety class.

4. Service Changes

The City reserves the right to make additions, deletions, revisions and/or otherwise modify the General and Specific Landscape Maintenance Specifications or change the frequency of the services during the contract period. A Request for Quote will be issued for additional service work or one time contract work. A change order will be issued with a two-week notice. Any change in Specification that causes the contractor to suffer additional expenses shall be adjusted based on the fee schedule or negotiated upon written justification.

5. Vandalism and Repair of Damage

Contractor shall report any damage to City property, including but not limited to, vandalism, acts of God, and third party negligence, to the City representative.

If the Contractor, its employees or subcontractors cause damage to any City facility then the Contractor shall repair such damage at its own cost within a reasonable time or the City may repair or cause the repair of such damage and the cost thereof shall be deducted from monies due to the Contractor from the City.

6. Protection of Existing Sites and Structures

The Contractor shall exercise due care in protecting from damage all existing sites, structures and utilities both above surface and underground on the City's property. Any damage to City property deemed to be caused by the Contractor's negligence or failure to use due care shall be corrected or paid for by the Contractor at no cost to the City.

If the City requests or directs the Contractor to perform work in a given area, Contractor shall verify and locate any underground utilities. This does not release the Contractor's duty to take reasonable precautions when working in these areas. Any damage or problems shall be reported immediately to the City.

7. Service Frequency and Schedules

Inspect and service every site once per week as a contract standard.

The Contractor shall, within ten (10) working days after the effective date of the Contract, submit a work schedule to the City's representative(s) for review and approval. Said work schedule shall be based on a twelve-month calendar identifying and delineating the time frames for the required work by the day of the week, morning or afternoon.

The Contractor shall submit revised schedules / calendars when actual performance differs substantially from planned performance. Said revisions shall be submitted to the City's representative(s) for review and, if appropriate, approval, within five (5) working days prior to scheduled time for the work.

At the discretion of City staff, weekly inspection meetings will be held(or more frequently if deemed necessary by the City) between the Contractor and the city representative(s) are to be scheduled to determine progress, review weekly site inspections and address any changes in schedules, problem areas, etc.

Contractor shall notify the City, in writing, at least two (2) weeks prior to the date and time of all pre-approved "Specialty Functions." **"Specialty Functions"** are defined as:

- a. Fertilization
- b. Tree Trimming/Management
- c. Aerate – Turf

Performance during Inclement Weather

During the periods that rainfall hinders normal operations, the Contractor shall adjust its workforce to accomplish those activities that are not affected by weather. The prime factors in assigning work shall be the safety of the workforce, the public, and damage to landscaping. Leaf and down branch pickup and drain clearing are a high priority. Rainy days are not an excuse to pull workforce from city. Contractor shall continue landscape tasks that can be safely preformed in the rain. Such as sidewalk pruning, low limb removal, or items that city contractor inspector points out.

8. Extra Work/ Excluded Work

The following tasks shall be treated as extra work items:

- a. Soil testing
- b. Major tree trimming. Major tree trimming is defined as work that requires an aerial lift (bucket truck), tree climbing or work that cannot be done from the ground with a pole saw or pole chain saw.
- c. Filling of holes in turf or shrub beds. (filling minor holes is included in the Contractor's work)
- d. Major irrigation repairs such as controllers, mainline repairs, valve replacement, and irrigation wire repairs, pumps, and backflow devices.
- e. Turf over seeding and top dressing will be handled by city staff.
- f. Debell Uvas Creek Park Preserve open space/ channel, Christmas Hill Park Hillside, and overflow parking area shall be done by city staff.
- g. Doggie Bag Dispenser Maintenance and/or refilling with new bags.
- h. Recreation Program support including ball field prep
- i. Facility reservation support and customer response
- j. General Park, playground and building repairs.
- k. Electrical system maintenance and repairs
- l. Raking and cleaning of playground surfaces such as sand and wood fiber shall be done by city staff. Concrete surfaces around playground areas are to be cleaned

(blown off) during the service schedule by contractor. Contractor will rake leaves, pick up garbage and debris during the scheduled service day in playgrounds.

9. Garbage, Litter and Debris Removal

- a. **Garbage, litter, and debris** shall be removed as needed to prevent citizen complaint and prepare turf areas for mowing and general facility use. Trash containers shall be serviced and emptied when 1/3 full or when there is detectable odor.
- b. **Service frequency** shall be once per week as a minimum as per Attachment B.
- c. **Garbage can liners** shall be supplied by the Contractor and be of a quality approved by the City representative. Garbage can liners shall be replaced when cans are emptied.
- d. **Litter and plant** debris will be removed from landscaped, hardscape, and adjacent open space areas on a regular basis to achieve neat, clean, and attractive facilities. Landscape debris will not be blown into streets and left unless collection of such debris has been previously approved and coordinated with city staff.
- e. **Shopping carts and garage sale signs** in and on the perimeter of contract sites shall be considered part of the garbage and litter removal service. Functioning shopping carts are to be placed in the corner of the employee parking lot at the City Corporation Yard. Non-working shopping carts are to be loaded into the metal bid in the City Corporation yard.
- f. **Disposal** of garbage, litter, and debris shall be made at the City yard disposal areas and any available on-site trash dumpsters. Alternate yard waste disposal sites other than the City yard may become available and will be reported to the Contractor by the City representative. Contractor shall keep all garbage and debris inside bunker areas in city yard.

10. Landscape Maintenance (Facilities, Parks, Trails, Slope Areas, Parking Lots)

A. GENERAL

1. All animal feces or other materials detrimental to human health shall be removed per the service schedule.
2. All broken glass and sharp objects shall be removed per the service schedule.
3. All areas shall be inspected per the service schedule and maintained in a neat, clean, and safe condition at all times.
4. All areas shall have leaves and debris removed per the service schedule.
5. All areas shall be inspected for vandalism, safety hazards, and serviceability per the service schedule. Deficiencies shall be reported in writing immediately (email) to the City.
6. All sidewalks within the City areas shall be swept or cleaned, if necessary, to remove any glass or heavy debris.
7. All sidewalk areas abutting maintained areas shall be cleaned when dirtied by Contractor's operations and at other times as required.
8. All leaves, paper, and debris shall be removed from landscaped areas and disposed of offsite.
9. Trash cans provided by City shall be emptied per the service schedule. Contractor shall provide plastic liners for all trash cans at Contractor's expense, to be changed, not emptied, per the service schedule.

10. All "V" drains shall be kept free of vegetation, debris, and algae to allow unrestricted water flow.
11. All other drainage facilities shall be cleaned of all vegetation and debris. All grates shall be tested for security and refastened as necessary. Missing or damaged grates shall be reported to City.

B. HARD SURFACE AREAS

1. All areas shall be swept weekly to remove all deposits of silt and/or sand. Any unsafe condition shall be removed upon discovery per the service schedule.
2. All areas shall be inspected per the service schedule and maintained in a neat, clean, and safe condition at all times.

C. BICYCLE/WALKING TRAILS/ASPHALT WALKWAYS/ TRAILS

Special emphasis shall be placed on edging along these areas to prevent damage to asphalt by vegetation. Bicycle/walking trails shall be kept free of encroaching vegetation.

11. Plant Care

Tree, Shrub and Ground Cover Maintenance

The latest edition of the *Sunset Western Garden Book* shall be the general guidelines and reference tool for care and maintenance of all plant material.

A. Shrubs and Ground Covers

1. Pruning will be done in a manner to enhance the natural form of the plant and maintain the design intent for the landscape. However there are or can be landscaped areas with security concerns that will require different pruning for safety visibility. The City representative will notify Contractor of special pruning sites.
2. Typically, shrubs which are planted along walls and fences should be maintained in a manner which will allow the plant material to soften the hard structural feature.
3. Where the design intent is to have sweeps of shrubs, the plants shall be allowed to grow together.
4. In some areas, it may be more appropriate to remove some shrubs entirely and allow adjacent plant material to fill in rather than try to keep the plants in bounds with repeated pruning. The Cities representative will point which plants, if needed, are to be removed.
5. Keep shrubs and ground cover a minimum of 12" from buildings, walls, trees and shrubs. Shrubs and ground cover shall not be allowed to encroach upon walks or curbs.
6. City will provide a species specific and site specific pruning guideline appendix (in progress) for selected plants to the company awarded contract.
7. Examples of plant care we expect shown below.
 - a) Vines and overhead vegetation (up to 18") on or over hanging walls boundary fences shall be trimmed from growing on private property, i.e. the back side of wall. This does not apply to existing vines have already grown over. If adjacent property owner requests ivy or vegetation trimmed from top of wall, contractor shall be required to remove it at no extra cost.
 - b) Hedge plants shall be allowed to grow together.
 - c) Rosemary and like ground covers to be cut back to 8"-12" in height. Except where

rosemary is already overgrown.

- d) Ornamental grasses are to be pruned back during the late winter months.
- e) Ground cover roses are to be encouraged to grow together and are to be kept under 18"-24" in height.
- f) Spring flowering perennials are to be cut back after flowering. Examples Lavender and daylilies.
- g) A three foot radius of free space shall be maintained around all fire hydrants. Low ground (under 6") cover is ok.
- 8. Allow plants to grow to their natural shape.
- 9. All shrubs and ground cover is to be trimmed not to interfere with irrigation operation or to **encroach** on to private property or Right-of-Way. Line of sight traffic safety issues as identified by City engineering Department will also determine proper height and appearance.
- 10. All dead, diseased and unsightly branches, vines or other growth shall be removed as they develop.
- 11. All shrubs are to be trimmed symmetrically in **natural form and proportion**, but not to interfere with vehicular and pedestrian clearance, visibility and access, unless otherwise directed by a City's representative. Prune shrubs to encourage healthy growth habits, natural form and proportion, symmetrical appearance and proper vertical and horizontal clearance. Line of sight traffic safety issues as identified by City Contract Inspector will also determine proper height and appearance

B. Trimming and Care of trees includes:

- 1. Qualified Professional personnel shall perform all pruning. Only recognized and approved methods, techniques and standards shall be used. Trees pruned improperly or damaged will be replaced by Contractor with plants of the same appropriate size as determined by the City inspector.
- 2. All tree pruning shall conform to the Best Management Practices for Trees published by the International society of Arboriculture and adhere to the most recent edition of the American National Standards for Maintenance Tree Care Operations (ANSI A330)
- 3. Contractor shall raise trees as needed or directed by city staff and/or designated representative.
- 4. Pruning of trees shall be done for the following conditions:
 - a. To maintain clearance for pedestrians (8 feet), road ways for vehicles (15 feet), or from facilities (5 feet).
 - b. Property line/boundary pruning for both balance and good neighbor pruning for sound walls, parks, and pump stations areas
 - c. To provide visibility site lines of pedestrians and motorists.
 - d. To maintain walkways and maintenance bands free from obstruction and /or safety issues.
 - e. To improved or enhance tree growth.
 - f. To eliminate or reduce potentially unsafe conditions.
 - g. To correct shape, particularly for wind disfigurements.
- 5. Remove no more than 20% of live foliage within the trees during one pruning operation.
- 6. All cuts shall be thinning cuts as opposed to heading cuts. This means leaving a lateral branch no less than 1/3 the diameter of the parent branch, or completely removing the branch at its point of origin.

7. All cuts shall be distal to the branch bark ridge or, if present the branch collar. The cuts shall be close to but shall not injure the branch collar.
8. Interior branches shall not be stripped out. Liontailing is not permitted.
9. Contractor shall prune young trees under 18 foot in height to develop permanent scaffold branches, remove crossing branches, remove diseased or damaged growth, or eliminate narrow branch crotches.
10. Major tree trimming is not included. Major tree trimming is defined as work that requires an aerial lift (bucket truck), tree climbing or work that cannot be done from the ground with a pole saw or pole chain saw.
11. Trees shall be inspected regularly for hazardous conditions. Corrective action shall be promptly performed by the contractor and the city notified.
12. Contractor to coordinate with city staff on large pruning projects so city can chip branches. A notification of ten working days is required in non-emergency conditions.
13. Periodic re-staking and tying shall be done as needed. Plant ties shall be checked frequently and adjusted to prevent girdling. Trees shall not rub against stakes at any time. When trees no longer require the support of stakes, contact the city for authorization to remove stakes and ties.
14. Maybe young trees which are leaning due to under developed trunk caliper ought to be staked at the direction of the city.
15. Fallen trees or branches shall be promptly removed. Promptly notify the City for large trees down.

12. Landscaped Roadways, Roundabouts, and Medians

1. The scope of work for medians not only includes the landscaped areas but also those areas of the median that are attached or directly adjacent to cobble/concrete hardscape per its design. (Noses and turn lanes are examples of this condition).
2. Plant material shall not be allowed to obstruct any sight line of vehicular traffic, and shall be kept below 36" in height from the road surface in any areas where traffic sight lines may be impacted. City Traffic Engineer and Landscape Inspector may provide direction as requested for proper maintenance.
3. Irrigation shall be adjusted and inspected as often as needed to insure no unsafe condition is created by irrigation run-off onto road surface or over spray onto vehicles.
4. All maintenance personnel shall wear class 3 safety vests while working on medians, and at no time shall work be performed in the roadway without City approved Traffic Control Plan and all required traffic control signage in place.
5. Contractor is responsible for insuring that all median maintenance is performed in a safe manner and that no hazard is created by such operation.
6. When closing a traffic lane for landscape maintenance work, an electronic sign board (arrow) shall be used in high speed and/or high traffic areas (i.e. Santa Teresa). Work shall only be performed on the closed lane side.
7. Cones are to be bright orange. Old and faded cones shall be replaced.
8. Notify city staff when high speed or high traffic areas are to be serviced via email.
9. If the work to be performed will take less time to complete than the time it takes to set up traffic control, then no traffic control is necessary. An example would be weed spraying, litter control, or irrigation maintenance.

13. Turf Care

A. Turf Mowing

1. The contractor shall not mow, or use any equipment of turf areas when frost is present or if the turf is saturated or standing water is present. Mowing should not begin until turf area is free of litter and trash.
2. Mowing shall be accomplished with rotary mulching mowers. Blades shall be kept sharp to produce a clean cut. Mowers shall be kept clean and free of fuel, oil, hydraulic fluid, and grease leaks.
3. Mowing equipment shall be washed between sites to minimize the spread of weed seeds.
4. Mowing patterns shall be alternated to avoid creating ruts and compaction.
5. Use caution when mowing berms or uneven areas to avoid scalping turf. Rodent dirt mounds need to be knocked down, spread, or removed so as reduce turf loss until rodent activity is abated.
6. Mowing shall typically be performed as needed from December through March and at least weekly from April through November. This is a guide only and will vary based on weather. Mowing shall be frequent enough so that no more than 1/3 of the leaf is removed at each mowing. During active growing season, mowing may need to be done twice weekly on play fields. Mowing height shall be 3 1/2 "unless otherwise directed by city staff.
7. All clippings shall be efficiently mulched to leave no visible trace or picked and removed only when necessary and removed to a designated dumping site. At no time shall unsightly clippings be left before vacating site following mowing operation.
8. Contractor shall have a spare mower of comparable size available within 24 hours of a mower breaking down.
9. Keep grass clippings away from waterways and out of the street.

B. Turf Aeration

1. All turf (not including the no-mow) areas shall be core aerated in September/October. Cores should be reincorporated into the turf. Core size should be 1/2" diameter. Alternative methods of relieving compaction may be authorized by City.
2. Prior to any cultivation activity, all irrigation heads, valves, and utility boxes shall be flagged. The soil shall be allowed to dry prior to cultivation.

C. Edging

1. When turf abuts concrete walk ways or concrete mow band, turf shall be edged with a metal blade edger. If a spin trimmer is required to edge around utility boxes, or wooden header boards, it shall be held so that the cut is vertical. A bevel cut will not be used. After mowing or edging hardscape (walks/drives/patios/streets) shall be swept or blown clean. Debris will not be left in street gutters or and removed before vacating site.
2. Tree wells are to be maintained with a neat turf edge and wells shall be kept weed free.
3. Chemical edging shall not be used anywhere.

D. Turf Fertilization

1. Fertilization schedule for all turf shall be:
 - a. March/April 44-0-0 Polyplus SL
 - b. Late August, early September 16-8-8
 - c. November 44-0-0 65% Polyplus SL Urea
2. Fertilizer use shall be reported with pesticide use.

E. Turf Pest control

1. **Weeds** - All turf grass in the CFD areas are relatively new with very few broadleaf weeds. At this time it is best to manually remove broadleaf weeds or spot spray.

14. Pest Control

1. **Weed Control Plan**-Develop an annual weed control plan that your company feels would produce a cost effective approach that provides high quality results for turf, shrubs and ground cover, annual flowers, bike/walking trails, open space edges/ post and cable/fence lines, and hardscape (cracks and crevices) including sidewalk, curb and gutter frontages. Control weeds with pre-emergent herbicides and selective systematic herbicides or through mechanical means, i.e. mowing, hoeing and weed whipping. No pesticides, herbicides, or other chemicals may be used in or around Low Impact Development Structural Control Measures such as Bio-retention ponds, bio-swales, or infiltration ponds of any kind.
2. **Written Pest Control Recommendations** - A written pest control recommendation from a licensed pest control advisor will be required for all pesticide applications. The contractor shall provide copies of all recommendations to the City at least 5 working days prior to application. Recommendation shall take into consideration drainage to water ways (Uvas Creek), drain inlets, and adjacent schools. Recommendation shall evaluate pesticides used and application activities performed and identify pollution prevention and source control opportunities.
3. Prohibit application of pesticides, herbicides and fertilizers as required by the regulations DPR 11-004 Prevention of Surface Water Contamination by Pesticides enacted by the Department of Pesticide Regulation.
4. No spraying shall be within 48 hours of predicted rainfall with greater than 50% probability as predicted by National Oceanic and Atmospheric Administration (NOAA).
5. Collect and properly dispose of unused pesticides, herbicides and fertilizers containers.
6. Do not spray weeds in playground areas. Weeds are to be removed manually.
7. Reoccurring unwanted plants (i.e. berry bushes, poison oak) are to be sprayed to kill plant roots or removed by digging up root system.
8. Trees in turf - maintain a minimum 3 ft. radius weed free.
- 6 **Product Use Summary** - Prior to the 15th of the month, the contractor shall provide to the city a summary of pesticides used the prior month. Provide the product EPA registration number and the amount of product used.
- 7 **Posting** - post all entry areas with spray notices when broadcast spraying public use areas and verbally notify public visitors when spot spraying when in the area. Remove

- facility spray notices when spraying is complete unless product label provides for different posting requirements.
- 8 **Spray marker** – the routine use of spray marker dyes is discouraged. Contact the City if such use is desired
 - 9 **Weed control** can be done with chemicals or with mechanical means (i.e. hoeing or mowing), or other cultural practices. The Contractor shall take vigorous responsibility for controlling weeds growing in cracks, or expansion joints, along fences/sound walls and areas contiguous to all active the City landscape areas (including sidewalks, curbs, and gutters). This includes all landscaped medians that are attached or directly adjacent landscaped roadway areas.
 - 10 **Moluskacides** should be iron phosphate based or other City approved control
 - 11 **Pest Control Licensing** – The contractor shall have a qualified person who holds the appropriated California Department of Pesticide Regulations licensing oversee all pesticide applications. If restricted materials are used, the applicator must be licensed.
 - 12 **Trails** – keep trail shoulders free of weeds 24” from any trail hardscape edges. Post sign when spraying along trails.
 - 13 Minimal insect control is practiced and is to be handled on a case-by-case basis and will be charged as an extra.
 - 14 Minimal disease control is practiced and is to be handled on a case-by-case basis and will be charged as an extra.
 - 15 Rodent Control
 - a. All mounds, burrows, or other minor damage shall be discovered in a timely manner and repaired by Contractor. Rodent problems should be identified and reported to the City in their early stages as part of weekly inspections before causing critical damage to areas. Lack of early discovery will be considered negligence on the part of the Contractor. Depending on the scope of the problem, rodent control in the form of baiting or trapping will be recommended and scheduled work.
 - b. Gopher control
 - i. The contractor shall obtain a written pest control recommendation from a licensed Pest Control Advisor for baiting for gopher control. All bait shall be placed below ground in the burrow system. Any spilled bait shall be promptly picked up. Any dead gophers found on the surface shall be collected and properly disposed of.
 - ii. If trapping is to be used all State Regulation must be followed. If trapping is to be used, contractor shall notify and get City’s approval on sites and locations. Dead gophers must be disposed of properly.
 - iii. The contractor shall comply with all other provisions of pesticide requirements.
 - iv. The contractor shall promptly remove or disperse any soil mounds discovered on the turf.
 - v. Contractor to give city a per-treatment per site price. A total of 10 site visits will be included in price, but charged as work as needed. So if no rodent control is needed the City will not be charged.

- vi. No chemical control of rodents in Low Impact Development Structural Control Measures such as Bio-retention ponds, bio-swales, or infiltration ponds of any kind.

c. Ground Squirrel control shall be handled on a case by case basis and coordinated with City representative. Ground squirrel will be treated as an additional cost and is not included in this contract.

15. Irrigation

- a. Contractor and its employees shall bi-weekly (every two weeks) inspect and test all irrigation systems for system operability; component malfunctions, and adjusts schedules to address weather changes and irrigation requirements. Any signs of irrigation malfunctions will be immediately addressed and system checks will become as frequent as necessary to insure problems are fully resolved without any further damage. These inspections may also become more frequent in certain areas that are under observation due to chronic malfunctions or vandalism. Between November 1 and March 1 if systems are turned off because of weather conditions, monthly inspections will be acceptable to insure that there has been no damage to the systems.
- b. **After Value-**The contractor shall be responsible for all labor for the irrigation repairs after the valve including the solenoid, rebuilding of the valve, lateral lines, and sprinkler heads, and including adjustment to sprinklers. Contractor to bill the City for all irrigation material costs plus a fifteen (15) percent markup.
- c. **Before Valve:** Replacement of remote control valves, rebuilding or replacement of quick couplers, flow control valves, master valves, backflows and mainline repairs are not included and shall be billed to the city at an hourly rate basis or on a bid basis. The city's representative will ok work to be done on case by case basis. All irrigation materials used will be charged to city at cost plus a fifteen (15) markup.
- d. An irrigation audit shall be done during the winter months listing all work extra work that should be done to improve system efficiency, i.e. raised heads, upgrading of nozzles and deliver to the city representative by the end of February.
- e. Under no circumstances can a system go unchecked long enough to cause any problems with startup when weather conditions warrant systems to be fully operational. Contractor shall set and program automatic controllers for seasonal watering requirements. A sign in sheet shall be placed inside each irrigation controller box that designates by date and signature each time the system is inspected or adjusted for non-central station controllers.
- f. All replacement materials are to be with new original types and models materials, unless a substitute is approved by City representative.
- g. Contractor shall maintain an adequate inventory of medium to high usage stock items for repair of the irrigation systems.
- h. Contractor shall implement repairs in accordance with all effective warranties, and no separate payment shall be made for repairs on equipment covered by warranty.
- i. Notify the owner in writing of any conditions that are discovered which may prevent the system from delivering the correct amount of moisture.
- j. Adjust risers and sprinkler locations to compensate maturing landscape. This work will be done at an additional cost. The Irrigation Technician shall notify city staff of needed work.

- k. Reflect actual evapotranspiration (E.T) requirements and requirements of soil and plants when programming controllers.
- l. Eliminate runoff onto streets, sidewalks, and other non-target areas by using a Cycle/Soak programs.
- m. Provide sufficient time for soil to dry out between irrigations when programming controllers.
- n. Maximize public use of City property when programming controllers.
- o. Repairs of any irrigation components or property damaged by Contractor or as a result of negligence, error or omission by Contractor shall be the full responsibility of the Contractor.
- p. **Remote control valves**-Many RCV are used in the city. Along the 3rd street corridor Rainbird PESB-NP-NAN series are used. The contractor should be familiar with all types of modern remote control valves.
- q. **Quick coupler valves**
The standard quick coupler valve is the single slot Rain Bird 44 or Buckner QB44RC10 on potable water sites. On recycled water sites along the 3rd Street Corridor a 1" Acme thread valves are used. It is the City's responsibility to repair quick couplers.
- r. **Master Valves**-Master valves used are normally open Superior 3300. Del Rey Park and the Ranch Site use Griswold normally open 2160 valves. Rainbow Park and Leavesly at Arroyo Circle use normally closed valves. It is the City's responsibility to repair master valves and Flow Control Valves.
- s. **Fixed Spray heads**
 - 1. The standard pop-up fixed spray head is the Rain Bird 1800 series SAM-PRS. Twelve inch pop-up is typically used in ground cover, shrub, and bedding plant areas. Four inch and six inch has been used in turf. If it is necessary to replace a four inch body in a turf area, it should be upgraded to a six-inch pop-up.
 - 2. All heads used on recycled water lines must be equipped with purple caps.
- t. **Rotor Sprinklers**-A variety of rotor heads are used in the city systems. The Contractor should be familiar with all types of rotor sprinklers. These CFD sites use mainly MP Rotators.
- u. **Drip**-Inline drip, on-line drip and Multi Outlet drip is used along the 3rd Street Corridor and at Mesa Soundwall. The Contractor should be familiar with all types of drip systems.
- v. **Flow Sensors**-Data Industrial (Badger) flow sensors are used at many sites. Flow Sensors are the City's responsibility to repair.
- w. **Pumps**-No pumps are used on these sites.
- x. **Controllers and Programming**
 - 1. All CFD site use the Rain Master Evolution. Most of the on-line controllers are linked to flow meters and master valves and will shut down the system if high or unscheduled flows are detected. Low flow and electrical faults are also detected by the central system. The central controller is linked to an on-site weather station and that data is used to adjust station run times and shut down during unfavorable weather events. The landscape contractor is expected to communicate with city staff regarding site irrigation needs. The city will service irrigation controllers.
 - 2. City staff will program controllers which are on-line with the central system. Irrigation programming will be coordinated around facility use.

3. The general guide for irrigation is to water deeply but infrequently. The soil surface should be allowed to dry between irrigations. Typically three irrigations per week is sufficient for turf. Irrigation schedules must take into account public use of the facility and hydraulic capacity of the systems. Irrigation programming will be coordinated with the city.
4. Upon completion of work, verify that all cabinets are properly locked before leaving the area. Due to the potential damage to systems from leaving a cabinet unlocked, this type of infraction will be considered a serious act of negligence by the contractor.
5. When site irrigation is checked or serviced the Irrigation Tech shall sign and fill out Controller Maintenance sheet provided in each controller.

y. Recycled Water:

Sites along 3rd street are irrigated with recycled water. This is disinfected tertiary treated waste water which is provided by the South County Regional Wastewater Authority.

All irrigation heads and pipe shall be color coded purple or otherwise labeled. Only Acme threaded quick couplers shall be used on recycled water systems. Employees working on sites with recycled water shall be trained on the precautions to use. The contractor foreman or supervisor is encourage to attend the annual supervisors training conducted by the South County Regional Wastewater Authority. Contact the city for additional information on this.

16. Care for Storm Water elements-Low Impact Development Structural Control Measures (LID SCMs)

Bioswale Features work includes:

- Water must flow downstream to inlet. Confirm there is no evidence of long-term ponding which causes dying plants and/or bare spots at the bottom of the swale.
- Fix any flow paths that develop.
- Remove all trash and debris on service days.
- Fix rodent holes and erosion with proper materials per design specs.
- Manually remove all weeds.
- Trim over-grown plants that are blocking the inlets or outlets, or if they are growing into the public right-of-way.
- No pesticides, herbicides, or other chemicals may be used in or around the swales.
- Remove sediment buildup at the bottom of the swale. Sediment buildup of over 1 cubic yard shall be removed by the City.
- Fix ponding by replacing soil per design specs. This shall be done by the City or contractor shall be contracted to make repairs.
- Replace dying or dead vegetation, as needed. Plant replacement is not included in this contract. Contractor shall notify the City of dying or dead vegetation. City will contract with contractor to replace plants.
- Adjust irrigation schedule, if needed, for healthy plants.

- Report and fix odors. If there is an order problem contractor shall notify the City. Contractor will work with the City rectify problem.
- Report and fix any pedestrian paths that develop. Contractor shall notify the City to the presence of any pedestrian paths that develop. Contractor shall work with the contractor to rectify the problem.
- Control Rodents in Bioretention features by non-chemical means.

Bioretention Features

- Report and fix any pedestrian paths that develop. Contractor shall notify the City to the presence of any pedestrian paths that develop. Contractor shall work with the contractor to rectify the problem.
- Remove all trash and debris on service schedule.
- Fix rodent holes and erosion with proper materials per design specs.
- Manually remove all weeds.
- Trim over-grown plants that are blocking the inlets or outlets, or if they are growing into the public right-of-way.
- No pesticides, herbicides, or other chemicals may be used in or around the Bioretention features.
- Remove sediment buildup at the bottom of the Bioretention feature. Sediment buildup of over 1 cubic yard shall be removed by the City.
- Replace dying or dead vegetation, as needed. Plant replacement is not included in this contract. Contractor shall notify the City of dying or dead vegetation. City will contract with contractor to replace plants.
- Adjust irrigation schedule, if needed, for healthy plants.
- Report and fix odors. If there is an order problem contractor shall notify the City. Contractor will work with the City rectify problem.
- Report and fix any pedestrian paths that develop. Contractor shall notify the City to the presence of any pedestrian paths that develop. Contractor shall work with the contractor to rectify the problem.
- Control Rodents in Bioretention features by non-chemical means.

Keys, Deficiency, Severance, and Termination

Locks and Keys

The Contractor shall be responsible for the series of keys assigned to it and shall assign these keys to its personnel for use in maintaining the facilities. The Contractor shall properly use and keep safe all keys or locks issued or used by the City to the Contractor.

The contractor shall report all lost or stolen keys or locks to the City representative(s) within twenty-four (24) hours after discovery of the loss. The Contractor shall reimburse the City for the total cost, as determined by the City, of replacing the lock, re-keying the site or duplicating additional keys.

Upon termination or cancellation of the Contract, the Contractor shall immediately return all keys, cards, remote controls, etc., to the City. The Contractor shall reimburse the City for the total cost, as determined by the City, for the total cost of keys not returned.

Deficiency Notice Procedures

- a. Deficiencies will be recorded and presented to the contractor via e-mail, fax or U.S. Mail. The Contractor shall respond within 24 hours with a plan to remedy and to prevent future occurrence, Contractor will be responsible for providing follow up documentation. Contractor supervision is responsible for re-inspection of problem areas before notifying the City the problem has been resolved.
- b. Contractor's management team must be available for face-to-face meetings called by the City within 48 hours of notification.
- c. Failure to resolve the problem will result in a written vendor "*Non-Compliance*" report seeking a written response from the contract management outlining a permanent resolution to the problem. Patterns of complaints, which may indicate the contractor's failure to adequately staff, train and supervise, shall cause a face to face meeting with the highest level of the contractor's management deemed necessary by the City in order to clarify the contractor's obligations and produce a written work plan and time frame for remedying the deficiencies.
- d. Failure to resolve a written "*Non-Compliance contract services notice*" will result in one or all of the following:
 - i. Payment deductions to the Contractor for services not performed per contract where City had no or reduced service.
 - ii. Termination of selected contracted service area/s because of contractor's continued failure to perform in the designated areas.
 - iii. Total contract termination for failure to perform after repeated "Notices of Non-Compliance" have been issued.
 - iv. Contract works that the contractor failed to perform and City staff was compelled to perform and must fill in for, will be back charged (labor and equipment) to contractor. (Example: contractor fails to mow turf as scheduled. City may to do work and back charge contractor.)

Right of Severance and Termination

1. **Remove worker:** The City shall have the right to request removal of any specific Contractor worker from City contract properties for the following:
 - a. The City reserves the right to request removal of any specific Contractor worker if the worker is deemed by City to be incompetent or negligent based on worker's inability to execute required project tasks.
 - b. For failure to adhere to the City's standards
 - c. For worker misconduct.
2. **Terminate contract:** City reserves the right to terminate this contract with Contractor upon 10 days advance written notice should Contractor fail to meet obligations of the contract as noted under Deficiency Notice Procedures (d. iii above). Such failures include, but are not be limited to:
 - a. Consistent failure to respond to requests for service or to remedy contract deficiencies,

- b. Consistent failure to provide qualified, trained workers and supervisors,
 - c. Contractor failure to keep City informed.
3. **Back charge** – City will bill Contractor for work not performed where city staff had fill in.

One Site Safety

Maintenance and Operation of Equipment and Vehicles

The Contractor shall take necessary precautions for the safe operation of equipment and the protection of the public from injury and damage from such equipment and vehicles. Contractor shall repair or replace, immediately, all equipment deemed by City to be unsafe, irreparable or in unsatisfactory condition. All vehicles shall have the contractor's name visible to the public.

Contractor shall operate equipment and vehicles so as to minimize service vehicles driving off pathways and hardscape onto turf and planters with irrigation and plants and prevent damage. Contractor shall use street frontages and parking areas rather than pathways and sidewalks when possible operating vehicles in contract sites.

String Trimmers

Contractor shall train staff and operate all string trimmers in a safe manner. Training shall include proper techniques in avoiding flying debris and protecting staff, pedestrians and vehicles from harm. Care shall be exercised with regard to the use of string trimmers to prevent damage to building surfaces, walls, header board, light fixtures, signage, etc. **String trimmers shall not be used around trees.** A 2 to 3 foot soil buffer zone shall be maintained around the circumference at the base of all trees, unless otherwise directed by City. Any trees damaged by string trimmer or mower shall be replaced at no additional cost to the City.

Reference Materials

The following documents will be used to judge best and proper landscape practices and procedures unless otherwise specified or instructed.

All specifications for materials to be used and construction guidelines will be based on City of Gilroy Construction Standards unless otherwise noted and/or approved.

Latest edition Sunset New Western Garden Book

Standard practices of the International Society of Arboriculture

Cal-OSHA Requirements

The contractor shall comply with all provisions of the California Occupational Health and Safety Act., taking all precautions in the performance of the service to prevent injury to persons and property.

Accident Reporting

The Contractor shall immediately notify the designated City representative(s) of any accident, regardless of whether or not injury or damage is evident, involving the public and the Contractor's staff, vehicles, and/or equipment. The Contractor shall provide all written reports and/or documentation requested by the City.

Management and Supervision

The Contractor shall provide fully trained and qualified personnel. The staff activity will be closely monitored by City representative(s) at each site to detect operational irregularities and non-compliance with the Contract.

It is the responsibility of Contractor's executive, management, and supervisory staff to oversee the activities of its staff, throughout the range of its activities at all contract sites.

The City will not supervise the contractor's supervisors or employees.

All Supervisors must be qualified, proficient in English, trained and capable of providing adequate supervision and direction of all staff and must demonstrate verbal and written communication skills sufficient for the work required herein.

The Contractor's crew leader and operational staff, as well as their supervisory and management staff, shall be knowledgeable in this Contract and its time lines. An outline of the task requirements, schedule, and time lines for each site shall be kept with each crew. If any task cannot be thoroughly completed within the Contract schedule time line, the City's representative shall be notified promptly in the prescribe manner established at contract startup.

Contractor shall be expected to take reasonable care to identify and report conditions/situations/occurrences which may be harmful or result in decline of plant material or landscape or interfere with public use. If this care is not exercised then repair of resultant damage to landscape or plant material shall be the responsibility of contractor.

Contractor to incur all costs to assess, repair or replace any physical property damaged as a result of contractor's negligence or failure to take reasonable care to identify and report potential problems with the landscape.

Contractor shall inspect and identify any condition(s) that renders any portion of a site unsafe, as well as any unsafe practices occurring thereon, and shall immediately notify the City representative(s) of any unsafe or undesirable condition(s). Contractor shall take emergency safety actions to protect worker and or the public from a developing or observed hazardous conditions. Safety action taken by the contractor not related to normal contraction services shall be appropriately compensated by the City when justified in writing and include any public safety call for service report number.

The Contractor shall make minor corrections including, but not limited to, filling minor holes in turf and activity areas, using barricades or traffic cones to alert the public to the existence of hazards, replacing Contractor-damaged valve box covers, and securing any damaged apparatus so as to protect members of the public or others from injury.

If needed, the Contractor shall assist the public by summoning emergency assistance while at the site. The Contractor shall cooperate fully with City in the investigation of any injury or death occurring at any site, including a complete written report.

During all operations, the Contractor shall comply with local ordinances regarding noise levels. Any scheduling of the Contractor's operations may be modified by City at no additional compensation to Contractor in order to ensure that the public is not unduly impacted by the noise of equipment or operations.

EXHIBIT "C"

MILESTONE SCHEDULE

Service Frequency and Schedules

Inspect and service every site once per week as a contract standard.

The Contractor shall, within ten (10) working days after the effective date of the Contract, submit a work schedule to the City's representative(s) for review and approval. Said work schedule shall be based on a twelve-month calendar identifying and delineating the time frames for the required work by the day of the week, morning or afternoon.

The Contractor shall submit revised schedules / calendars when actual performance differs substantially from planned performance. Said revisions shall be submitted to the City's representative(s) for review and, if appropriate, approval, within five (5) working days prior to scheduled time for the work.

At the discretion of City staff, weekly inspection meetings will be held (or more frequently if deemed necessary by the City) between the Contractor and the city representative(s) are to be scheduled to determine progress, review weekly site inspections and address any changes in schedules, problem areas, etc.

Contractor shall notify the City, in writing, at least two (2) weeks prior to the date and time of all pre-approved "Specialty Functions." **"Specialty Functions"** are defined as:

- a. Fertilization
- b. Tree Trimming/Management
- c. Aerate – Turf

Performance during Inclement Weather

During the periods that rainfall hinders normal operations, the Contractor shall adjust its workforce to accomplish those activities that are not affected by weather. The prime factors in assigning work shall be the safety of the workforce, the public, and damage to landscaping. Leaf and down branch pickup and drain clearing are a high priority. Rainy days are not an excuse to pull workforce from city. Contractor shall continue landscape tasks that can be safely performed in the rain. Such as sidewalk pruning, low limb removal, or items that city contractor inspector points out.

Sites and On-Call services are also itemed under Exhibit "D" (payment/fee schedule).

Sites/Items	City of Gilroy - Contract Fee Schedule	Annual Landscaping Maintenance Fee	Annual Irrigation Service Fee	*Supplemental Annual Rodent Control Services	Remote Control Valves	Return	Fixed Spray/Blowers	Multi-Outlet Emitters	Drip	Approximate Irrigation Return to Check System	Garbage Cans Per Week	Controller
	Sites below are currently maintained											
1	Deer Park 9027 Santa Teresa Blvd (See Map) Include 10 Rodent Control Site Visits in price	\$ 12,480.00	\$ 1,800.00	\$ \$50.00	38		400			0.5	0	1 RainMaster on central controller
2	Rancho Meadows (See Map) Include 10 Rodent Control Site Visits in price	\$ 8,280.00	\$ 1,200.00	\$ \$50.00	8		82			0.25	0	1 RainMaster on central controller & valves on Shared Santa Teresa Controller C
3	Mesa (See Map) Include 10 Rodent Control Site Visits in price	\$ 16,625.00	\$ 1,500.00	\$ \$50.00	11	Combo of buried in-line drip and on-line drip				0.5	0	1 RainMaster on central controller
	Sites below are built and will be added at later dates											
4	West Bercenation Area-64 307 square feet (See map 6-CFD Does not include 6-ty. Fields No Chemical use in this area)	\$ 13,160.00	\$ 1,800.00	Included in Lump Sum				180		0.5	0	1 RainMaster on central controller
5	Pichara Park, Cobblestone Court, Stirodopole (see Map 4-CFD) From Tarrington Drive North along Cobblestone Court No Chemical use in Bio-Swale street Include 10 Rodent Control Site Visits in price	\$ 20,785.00	\$ 2,400.00	\$ 1,250.00	24	243	172			0.5	0	1 RainMaster on central controller
6	Cobblestone Park & Street Parkette (See Map 3-CFD) 24 340 square feet and No Chemical use in Bio-Swale street Include 10 Rodent Control Site Visits in price	\$ 17,460.00	\$ 2,100.00	\$ 1,250.00	22	135	45	Buried Drip		0.5	2	1 RainMaster on central controller
7	East Bercenation Area (See Map 3-CFD) 32,000 square feet No Chemical use in this area	\$ 4,380.00	\$ 900.00	Included in Lump Sum	5	60	39			0.5	0	1 RainMaster on central controller
8	Graveland Park, 4 3rd Street and Graveland (Map 1-CFD) Include 10 Rodent Control Site Visits in price	\$ 12,475.00	\$ 1,800.00	\$ 1,250.00	9	75	28	Buried Drip		0.25	2	1 RainMaster on central controller
9	34 Street Cobblestone Court, Roadways and Sprinklers (see map 5-CFD) No Chemical use in Bio-Swale street Include 10 Rodent Control Site Visits in price	\$ 20,785.00	\$ 2,700.00	\$ \$50.00	20	327	226	390		0.5	0	1 RainMaster on central controller
10	Hansen Park (see plan) Include 10 Rodent Control Site Visits in price	\$ 41,580.00	\$ 3,600.00	\$ \$50.00	68	1804				1	0	1 RainMaster on central controller
11	Third Street, Graveland Way, & Lower Oak Lane (See map 2) No Chemical use in Bio-Swale street Include 10 Rodent Control Site Visits in price	\$ 41,580.00	\$ 4,500.00	\$ 1,250.00	74	662	290			0.75	0	1 RainMaster on central controller
12	Harvest Park II Cohomes Area Median Only -Construction in spring 2018											
13	*Lump Sum Budget for Rodent Control Service-City to be bill as service is needed for West & East Bercenation Area and bio-swale areas where there is to be no chemical rodent control			\$ 15,000.00								
14	Supplemental Irrigation Repair Materials Allowance (fixed amount - do not change)		\$ 2,500.00									
15	Supplemental Irrigation Repair for mainline (Below Valve Repairs) repairs (20 Hours) ENTER HOURLY RATE FOR MAINLINE IRRIGATION REPAIR HERE	\$95	\$1900--	\$1900--								
	Annual Grand Total	\$ 209,530.00	\$ 26,800.00	\$ 24,250.00	258	1684	2877	570		5.75	4	

Please see comments in cells

Sites/Items	
Chemical Rodent Control Sites	1,2,3,8,10,11
Sites with Chemical use areas & Bioswales (no chemical use)	5,6,9,11
Sites with No Chemical use areas	4,7

Bio-swale and Bio-Retention Pond areas will use the lump sum budget for rodent control (Item 13)

Name of Contractor: ALPINE LANDSCAPES

Date: 11/15/2017

Print Name: RYAN DINSMORE

Signature: Ryan

* NOTE: THESE CELLS WERE LOCKED / PASSWORD PROTECTED, AND INFORMATION COULD NOT BE ENTERED. \$11900 WILL BE IN ADDITION TO GRAND TOTAL OF \$260,580.00

Contractor acknowledges that they have made a personal inspection of each site and the surrounding areas and has evaluated the extent to which the physical condition thereof will affect the services to be provided. The totals on this page are approximate and contractor is encouraged to do their own count and time estimate.



City of Gilroy

STAFF REPORT

Agenda Item Title: **Approve an Amendment to the Agreement for Services with Jensen Landscape Services, LLC for Parks and Landscape Maintenance Services to Include Trash and Debris Removal, the Annual Cost for the Expanded Service, Extend the Agreement for 18 Months, with a Total Cost of \$1,541,637 for the 18 Month Extension**

Meeting Date: February 27, 2023
 From: Jimmy Forbis, City Administrator
 Department: Public Works
 Submitted By: Daryl Jordan, Public Works Director
 Prepared By: Michael Lewis, Management Analyst

STRATEGIC PLAN GOALS

Maintain and Improve City Infrastructure

RECOMMENDATION

Approve an amendment with Jensen Landscape Services, LLC to increase the annual contract amount by \$92,750 to a total annual amount of \$1,027,758 and extend the term of the existing agreement by 18 months for landscape and maintenance services and authorize the City Administrator to execute the amendment and related documents.

EXECUTIVE SUMMARY

The City of Gilroy currently contracts with Jensen Landscape Services, LLC to provide landscape maintenance to various sites throughout the City. This approval followed a formal bid process and evaluation of several vendors. The current contract will expire on February 28, 2023.

An amendment is being requested to extend the term of the agreement and to add garbage and debris removal services to the existing contract.

BACKGROUND

The City Council approved a City-Wide Park and Landscape maintenance contract with Jensen Landscape Services, LLC on January 8, 2018. The contract expires on February 28, 2023.

The City of Gilroy has made use of landscape contract maintenance services for more than twenty years, adding additional facilities and services to the contract as the City has grown and constructed additional parks, landscaped roadways, public trails, or other facilities that have required landscape maintenance services. These routine services include plant care, tree care, weeds, pest control, litter pick-up, irrigation maintenance, and general maintenance such as seasonal leaf removal. The City issued an RFP for new contracts, but the City received protests, and further work is needed as described in the Analysis portion of the staff report. The five-year Park and Landscape Maintenance Contract is expiring, and an extension is needed to continue services with Jensen Landscape Services, LLC until the City can enter into a new, long-term contract with a vendor.

ANALYSIS

Jensen Landscape Services, LLC continues to provide the City with excellent maintenance services and has proven to be responsive to any needs that arise. Parks staff has been pleased by the quality of work that Jensen provides for the maintenance and upkeep of City-Wide landscape areas.

To continue the services outlined in the contract, staff is recommending an amendment be approved to include trash and debris removal in the scope of work. Staff is also recommending that the current agreement with Jensen be extended by 18 months to expire on August 31, 2024.

The revised total not-to-exceed annual contract amount under this amendment is \$1,027,758 per year. At this new annual rate, the cost for the additional 6 months will be \$513,879. The additional year would be \$1,027,758, for a combined total of \$1,541,637 for the full 18-month period.

The City recently conducted a Request for Proposal (RFP) process for landscape maintenance services. The proposals received were evaluated by the Public Works Department and notices of intent to award were issued which were subsequently subjected to protests. After further review of the protests and the City's process for scoping the services and evaluating the proposals, it was determined revisions are warranted in the City's procurement process of the service. Since the current agreement is set to expire at the end of the month, staff determined it is in the best interest of the City to cancel the RFPs and extend the existing agreement. This will provide continuity of services and allow staff time to refine the RFP process and update the evaluation criteria/metrics. Staff is recommending an 18-month extension; however, staff will plan on conducting the next RFP process in about 12 months to allow sufficient time for the

process and ensure there is ample notice/transition period should the provider of the services change as a result of the next RFP process.

ALTERNATIVES

Council could choose not to award the extension to Jensen Landscape Services, LLC. Not using Jensen Landscape for this work would require an increase in staff time to conduct the landscape maintenance work and would divert resources from other core services. Current staffing levels do not support the amount of work needed to maintain the entirety of the City-Wide area, as such, the City heavily relies on contractors to perform the work.

FISCAL IMPACT/FUNDING SOURCE

Funding for the landscape maintenance services would be drawn from Fund 100 (General Fund) out of the Landscape Operating budget. There is sufficient funding to support the contract through the remainder of the fiscal year and services will be budgeted for future years via the budget development process.

Current Annual Contract Amount = \$935,008

Increase to Annual Amount = \$92,750

- Trash and Debris Removal - \$46,000
- 5% CPI (Consumer Price Index) increase - \$46,750

Revised Annual Contract Amount = \$1,027,758

Plus 6 additional months = \$513,879

Plus 12 additional months = \$1,027,758

Total contract extension increase = \$1,541,637

NEXT STEPS

With Council approval of the contract with Jensen, staff will finalize the agreement and continue landscape services with the Contractor.

Attachments:

1. Jensen Third Amendment
2. Jensen Landscapes – Second Amendment
3. Jensen Landscapes – First Amendment
4. Jensen Landscape – Citywide Parks and Landscape Maintenance Services

THIRD AMENDMENT TO AGREEMENT FOR SERVICES WITH JENSEN LANDSCAPE SERVICES, LLC FOR CITY-WIDE LANDSCAPE MAINTENANCE SERVICES

This Third Amendment to the Agreement for Services (“Third Amendment”) is made and entered into as of February 22, 2023 (“Effective Date”), by and between the City of Gilroy, a California municipal corporation (“CITY”), and Jensen Landscape Services, LLC (“CONTRACTOR”).

WHEREAS, CITY and CONTRACTOR are parties to that certain Agreement for Services, effective on March 1, 2018, hereinafter referred to as “Original Agreement”; and

WHEREAS, CITY and CONTRACTOR have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Article TERM OF AGREEMENT of the Original Agreement shall be amended to read as follows:

“This Agreement will become effective on March 1, 2018 and will continue in effect through August 31, 2024 unless terminated in accordance with the provisions of Article 7 in 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.”

2. Exhibit D of the Original Agreement shall be amended by the addition of the following services to the Scope of Work:

- Trash & Debris Disposal

3. Article COMPENSATION (Consideration) of the Original Agreement shall be amended to read as follows:

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 **annual** compensation paid to CONTRACTOR exceed **\$1,027,758.**”

3. This Amendment shall be effective on March 1, 2023.

4. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CITY OF GILROY

By: _____
[signature]
Jimmy Forbis _____
[employee name]
City Administrator _____
[title/department]

Date: _____

JENSEN LANDSCAPE SERVICES, LLC

By: _____

Date: _____

Approved as to Form

City Attorney

ATTEST:

City Clerk

SECOND AMENDMENT TO AGREEMENT FOR SERVICES WITH JENSEN LANDSCAPE SERVICES, LLC FOR LANDSCAPE MAINTENANCE SERVICES

This Second Amendment to the Agreement for Services ("Second Amendment") is made and entered into as of February 24, 2021 ("Effective Date"), by and between the City of Gilroy, a California municipal corporation ("CITY"), and Jensen Landscape Services, LLC ("CONTRACTOR").

WHEREAS, CITY and CONTRACTOR are parties to that certain Agreement for Services, effective on March 1, 2018, hereinafter referred to as "Original Agreement"; and

WHEREAS, CITY and CONTRACTOR have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Article TERM OF AGREEMENT of the Original Agreement shall be amended to read as follows:

"This Agreement will become effective on March 1, 2018 and will continue in effect through February 28, 2023 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."

2. This Amendment shall be effective on February 26, 2021.

3. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CONTRACTOR:

Jensen Landscape Services, LLC

By:

Brian D. Helgoe

[signature]

Brian Helgoe

[employee name]

CEO

[title/department]

Date:

2/24/2021

CITY:

CITY OF GILROY

DocuSigned by:

By:

Jimmy Forbis

FAB7DCFFD9254E3...

[signature]

Jimmy Forbis

[name]

City Administrator

[title]

Date:

Approved as to Form:

DocuSigned by:

Andy Faber

1979C9EB5B68470...
City Attorney

Attest:

DocuSigned by:

LeeAnn McPhillips

805AA27654AF40B...
City Clerk

FIRST AMENDMENT TO AGREEMENT FOR SERVICES WITH JENSEN LANDSCAPE SERVICES, LLC FOR LANDSCAPE MAINTENANCE SERVICES

This First Amendment to the Agreement for Services ("First Amendment") is made and entered into as of August 12, 2019 ("Effective Date"), by and between the City of Gilroy, a California municipal corporation ("CITY"), and Jensen Landscape Services, LLC ("CONTRACTOR").

WHEREAS, CITY and CONTRACTOR are parties to that certain Agreement for Services, effective on March 1, 2018, hereinafter referred to as "Original Agreement"; and

WHEREAS, CITY and CONTRACTOR have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Article COMPENSATION (Consideration) of the Original Agreement shall be amended to read as follows:

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 annual compensation paid to CONTRACTOR exceed **\$935,007.86.**"

2. This Amendment shall be effective on August 12, 2019.
3. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.
4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CONTRACTOR:

Jensen Landscape Services, LLC

By: 

Brian Helgoe
[employee name]

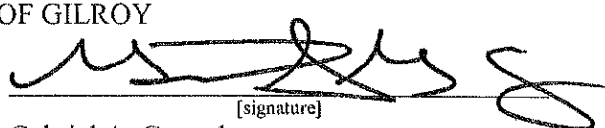
CEO

[title/department]

Date: August 15, 2019

CITY:

CITY OF GILROY

By: 

Gabriel A. Gonzalez
[name]

City Administrator

[title]

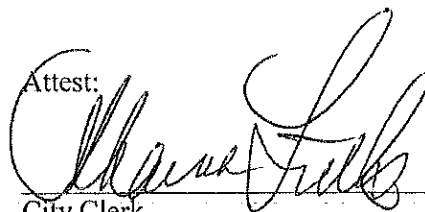
Date: 9/24/19

Approved as to Form:



City Attorney

Attest:



City Clerk

AGREEMENT FOR SERVICES

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

This AGREEMENT made this 4 day of January, 2018, between:

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

and CONTRACTOR: Jensen Landscape Services, LLC, having a principal place of business at
81983 Concourse Drive, San Jose, CA 95131.

TERM OF AGREEMENT

This Agreement will become effective on March 1, 2018 and will continue in effect through February 28, 2021 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.

CCC
Initial

INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONTRACTOR is an independent contractor and not an employee, agent, joint venture 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.

SERVICES TO BE PERFORMED BY CONTRACTOR

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").

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.

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.

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.

COMPENSATION

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 **\$935,007.86**.

Invoices

CONTRACTOR shall submit invoices for all services rendered.

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.

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."**

OBLIGATIONS OF CONTRACTOR

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.

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.

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.

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.

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.

State and Federal Taxes

The CONTRACTOR is not a 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.

Prevailing Wage

The CONTRACTOR agrees and acknowledges that it is its obligation to determine whether, and to what extent, the work performed under this Agreement is subject to any Codes, Ordinances, Resolutions, Rules and other Regulations and established policies of the City and the laws of the State of California, the United States, the California Labor Code and Public Contract Code relating to public contracting and prevailing wage laws. The CONTRACTOR shall ensure that all subcontractors are informed and are required to pay prevailing wages in compliance with the California Labor Code and the regulations thereunder. It shall be the duty of the CONTRACTOR to post a copy of applicable prevailing wages at the job site. Prevailing wage information may be obtained at www.dir.ca.gov.

OBLIGATIONS OF CITY

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.

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.

TERMINATION OF AGREEMENT

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.

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.

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.

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.

GENERAL PROVISIONS

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

Time of the Essence

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

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:

Jensen Landscape Services, LLC

CITY OF GILROY

By: 

Name: **Clint Christman**

Title: **District Manager**

By: 

Name: **Gabriel Gonzalez**

Title: **City Administrator**

Social Security or Taxpayer

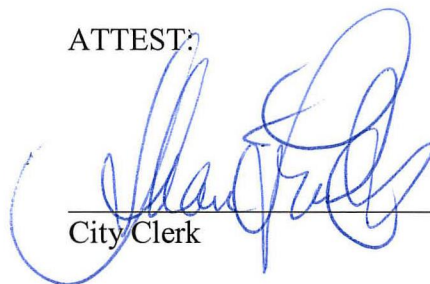
Identification Number **204880717**

Approved as to Form

ATTEST:



City Attorney



City Clerk

EXHIBIT "A"

SPECIFIC PROVISIONS

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 **Bill Headley, Parks Supervisor**, 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.

NOTICE TO PROCEED/COMPLETION OF SERVICE

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, **Bill Headley, Parks Supervisor** 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"**.

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.

PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit "C"**.

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.

OTHER PROVISIONS

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, and 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.

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.

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.

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.

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.

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.

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.

NOTICES.

Notices are to be sent as follows:

CITY: **Bill Headley, Parks Supervisor**
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

CONTRACTOR: **Clint Christman, District Manager**
Jensen Landscape Services, LLC
1983 Concourse Drive
San Jose, CA 95131

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.

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.

Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

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.

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EXHIBIT "B"
SCOPE OF SERVICES

LANDSCAPE STANDARDS AND SPECIFICATIONS

1. Landscape Maintenance Areas

Landscape maintenance areas shall consist of City parks, landscaped City facilities, slope areas, medians, streetscapes, and trails, drainage channels, identified in the Contract Landscape Location Information Sheets. These areas shall include all turf, trees, shrubs, ground covers, planters, slopes, vines, sidewalks, paths, courts, courtyards, decks, park equipment, BBQs and group BBQ facilities, parking lots, roadways, medians, opens space areas, gutters, v-ditch, bike trails, street barriers, fence lines and irrigations systems.

2. Normal Hours and Days of Maintenance Services

- a. Contractor shall perform the required maintenance service daily between the hours of 6:00 a.m. and 6:00 p.m., seven days per week including holidays. No maintenance functions that generate excess noise, which would cause annoyance to residents of the area. Forest Street Park is specifically a no blower facility.
- b. The Contractor shall conduct the work at all times in a manner which will not interfere with normal recreation programs, special events, pedestrian traffic on adjacent sidewalks or vehicular traffic on adjacent streets.
- c. Any modification in the hours and days of maintenance services as stated in the Contractor's Service Schedules/ Calendars are subject to approval by the City.
- d. Contractor shall be responsible for reviewing the minimum site visit frequencies as shown on Attachment B.

3. Personnel

- a. **Positive public relations** are an important part of this contract service. Services provide under the City-wide landscape service contract are a critical part of providing and maintaining these important public use facilities. Contract staff serves a vital role in delivering these public services. Contract staff must maintain both professional image and behavior whenever in contact with citizens. Contract staff shall be trained on how to handle public contact and provide the appropriate customer service. Contract staff must always maintain a neat and clean appearance and be easily identified by some type of company uniform.
- b. A **background** review and security clearance for all on-site contract employees is required. Contractor shall provide all needed information to the City's representative and make employees available for finger printing at a site to be determined. Contractor shall provide any background information needed for Department of Justice (DOJ) and Department of Motor Vehicles (DMV) drivers' record review. Further, a one-time drug testing or evidence of drug screening maybe required for background review. All cost for background check will be paid by contractor.
- c. The Contractor shall provide personnel fully **trained** in all phases of landscape irrigation systems operation, maintenance, adjustments, and repair; in all types of components to include irrigation controllers, valves, moisture sensing devices, and sprinkler heads; and with all brands and models of irrigation equipment used within the City.

- d. The Contractor shall provide personnel knowledgeable of, and proficient in, current **water management** concepts, with the capability of working with City staff in implementing more advanced water management strategies.
- e. The Contractor shall provide personnel capable of **verbal and written communication** in professional level English. Site Supervisor and Irrigation Tech shall have cell phone with email access.
- f. The City expects the Contractor's staff to give to city representative(s) all **items lost or misplaced** by the general public, regardless of perceived value found on contract sites. The Contractor shall communicate this expectation to all employees.
- g. Contract employees shall carry an ID badge with their photo provided by the City Human Resources Department. Contract employees shall produce photo ID when requested.
- h. The City will provide mandatory BMP training for all contract landscape maintenance staff regarding storm water management and operational best practices. City will provide Spanish/English translator.
- i. A contractor's representative shall attend City's annual traffic safety class.

4. Service Changes

The City reserves the right to make additions, deletions, revisions and/or otherwise modify the General and Specific Landscape Maintenance Specifications or change the frequency of the services during the contract period. A Request for Quote will be issued for additional service work or one time contract work. A change order will be issued with a two-week notice. Any change in Specification that causes the contractor to suffer additional expenses shall be adjusted based on the fee schedule or negotiated upon written justification.

5. Vandalism and Repair of Damage

Contractor shall report any damage to City property, including but not limited to, vandalism, acts of God, and third party negligence, to the City representative. If the Contractor, its employees or subcontractors cause damage to any City facility then the Contractor shall repair such damage at its own cost within a reasonable time or the City may repair or cause the repair of such damage and the cost thereof shall be deducted from monies due to the Contractor from the City.

6. Protection of Existing Sites and Structures

The Contractor shall exercise due care in protecting from damage all existing sites, structures and utilities both above surface and underground on the City's property. Any damage to City property deemed to be caused by the Contractor's negligence or failure to use due care shall be corrected or paid for by the Contractor at no cost to the City.

If the City requests or directs the Contractor to perform work in a given area, Contractor shall verify and locate any underground utilities. This does not release the Contractor's duty to take reasonable precautions when working in these areas. Any damage or problems shall be reported immediately to the City.

7. Service Frequency and Schedules

Inspect and service every site base on the sample with once per week as a base standard.

Less frequent or more frequent services may be approved as necessary to insure specifications and standards are met.

The Contractor shall, within ten (10) working days after the effective date of the Contract, submit a work schedule to the City's representative(s) for review and approval. Said work schedule shall be based on a twelve-month calendar identifying and delineating the time frames for the required work by the day of the week, morning or afternoon.

The Contractor shall submit revised schedules / calendars when actual performance differs substantially from planned performance. Said revisions shall be submitted to the City's representative(s) for review and, if appropriate, approval, within five (5) working days prior to scheduled time for the work.

At the discretion of City staff, weekly inspection meetings will be held (or more frequently if deemed necessary by the City) between the Contractor and the city representative(s) are to be scheduled to determine progress, review weekly site inspections and address any changes in schedules, problem areas, etc.

Contractor shall notify the City, in writing (email), at least two (2) weeks prior to the date and time of all pre-approved "Specialty Functions." "**Specialty Functions**" are defined as:

- a. Fertilization
- b. Tree Trimming/Management
- c. Aeration of Turf

Performance during Inclement Weather

During the periods that rainfall hinders normal operations, the Contractor shall adjust its workforce to accomplish those activities that are not affected by weather. The prime factors in assigning work shall be the safety of the workforce and damage to landscaping. Leaf and down branch pickup and drain clearing are a high priority. Rainy days are not an excuse to pull workforce from city. Contractor shall continue landscape tasks that can be safely preform in the rain. Such as sidewalk pruning, low limb removal, or items that city contractor inspector points out.

8. Extra Work/ Excluded Work

The following tasks shall be treated as extra work items:

- a. Soil testing
- b. Major tree trimming. Major tree trimming is defined as work that requires an aerial lift (bucket truck), tree climbing or work that cannot be done from the ground with a pole saw or pole chain saw.
- c. Filling of holes in turf or shrub beds. (filling minor holes is included in the Contractor's work)
- d. Major irrigation repairs such as controllers, mainline repairs, valve replacement, and irrigation wire repairs, pumps, and backflow devices.
- e. Turf over seeding and top dressing will be handled by city staff.

- f. Debell Uvas Creek Park Preserve open space/ channel, Christmas Hill Park Hillside, and overflow parking area shall be done by city staff.
 - g. Doggie Bag Dispenser Maintenance and/or refilling with new bags.
 - h. Recreation Program support including ball field prep
 - i. Facility reservation support and customer response
 - j. General Park, playground and building repairs.
 - k. Electrical system maintenance and repairs
- l. Raking and cleaning of playground surfaces such as sand and wood fiber shall be done by city staff. Concrete surfaces around playground areas are to be cleaned (blown off) during the service schedule by contractor. Contractor will rake leaves, pick up garbage and debris during the scheduled service day in the playground areas.

9. Garbage, Litter and Debris Removal

- a. **Garbage, litter, and debris** shall be removed as needed to prevent citizen complaint and prepare turf areas for mowing and general facility use. Trash containers shall be serviced and emptied when 1/3 full or when there is detectable odor.
- b. **Site Service frequency** is shown in Attachment B.
- c. **Garbage can liners** shall be supplied by the Contractor and be of a quality approved by the City representative. Garbage can liners shall be replaced when cans are emptied.
- d. **Litter and plant** debris will be removed from landscaped, hardscape, and adjacent open space areas on a regular basis to achieve neat, clean, and attractive facilities. Landscape debris will not be blown into streets and left unless collection of such debris has been previously approved and coordinated with city staff.
- e. **Heavy litter and garbage days** will require that multiple service vehicles and staff be provided. Aggressive mobile staffing levels for cleanup will be needed on Sundays, Monday, and day after holidays to ensure prompt removal of litter and garbage at contract sites.
- f. **Shopping carts and garage sale signs** in and on the perimeter of contract sites shall be considered part of the garbage and litter removal service. Functioning shopping carts are to be placed in the corner of the employee parking lot. Non-working shopping carts are to be loaded into the metal bid in the yard.
- g. **Disposal** of garbage, litter, and debris shall be made at the City yard disposal areas and any available on-site trash dumpsters. Alternate yard waste disposal sites other than the City yard may become available and will be reported to the Contractor by the City representative. Contractor shall have dumping capabilities so waste will be kept inside bunker in the yard.
- h. **Additional Garbage Cans:** Contractor shall include in the price an additional service of 25 additional garbage cans. These garbage cans will be installed purchased and installed by city staff.

10. Landscape Maintenance (Facilities, Parks, Trails, Slope Areas, Parking Lots)

A. GENERAL (items below to be done per service schedule)

- 1. All animal feces or other materials detrimental to human health shall be removed per the service schedule.

2. All broken glass and sharp objects shall be removed per the service schedule.
3. All areas shall be inspected per the service schedule and maintained in a neat, clean, and safe condition at all times.
4. All areas shall have leaves and debris removed per the service schedule.
5. All areas shall be inspected for vandalism, safety hazards, and serviceability per the service schedule. Deficiencies shall be reported in writing immediately (email) to the City.
6. All sidewalks within the City areas shall be swept or cleaned, if necessary, to remove any glass or heavy debris.
7. All sidewalk areas abutting maintained areas shall be cleaned when dirtied by Contractor's operations and at other times as required.
8. All leaves, paper, and debris shall be removed from landscaped areas and disposed of offsite.
9. Trash cans provided by City shall be emptied per the service schedule. Contractor shall provide plastic liners for all trash cans at Contractor's expense, to be changed, not emptied, per the service schedule.
10. All "V" drains shall be kept free of vegetation, debris, and algae to allow unrestricted water flow.
11. All other drainage facilities shall be cleaned of all vegetation and debris. All grates shall be tested for security and refastened as necessary. Missing or damaged grates shall be reported to City.

B. HARD SURFACE AREAS

1. All areas shall be swept weekly to remove all deposits of silt and/or sand. Any unsafe condition shall be removed upon discovery per the service schedule.
2. All areas shall be inspected per the service schedule and maintained in a neat, clean, and safe condition at all times.
3. Tennis, handball, bocce ball and basketball courts should be blown off according to the service schedule as needed.
4. Park barbecues to be cleaned on Mondays and Fridays.

C. BICYCLE/WALKING TRAILS/ASPHALT WALKWAYS/ TRAILS

Special emphasis shall be placed on edging along these areas to prevent damage to asphalt by vegetation. Bicycle/walking trails shall be kept free of encroaching vegetation. All trail should be kept weed free 24" from edge of trail.

11. Plant Care

Tree, Shrub and Ground Cover Maintenance

The latest edition of the *Sunset Western Garden Book* shall be the general guidelines and reference tool for care and maintenance of all plant material.

A. Shrubs and Ground Covers

1. Pruning will be done in a manner to enhance the natural form of the plant and maintain the design intent for the landscape. However there are or can be landscaped areas with security concerns that will require different pruning for safety visibility. The City representative will notify Contractor of special pruning sites.

2. Typically, shrubs which are planted along walls and fences should be maintained in a manner which will allow the plant material to soften the hard structural feature.
3. Where the design intent is to have sweeps of shrubs, the plants shall be allowed to grow together.
4. In some areas, it may be more appropriate to remove some shrubs entirely and allow adjacent plant material to fill in rather than try to keep the plants in bounds with repeated pruning.
5. Keep shrubs and ground cover 6"-12" from buildings, walls, trees and shrubs. Shrubs and ground cover shall not be allowed to encroach upon walks or curbs.
6. City will provide a species specific and site specific pruning guideline appendix for selected plants to the company awarded contract.
7. Examples of plant care we expect shown below.
 - a) Vines and overhead vegetation (up to 18') on or over hanging walls boundary fences shall be trimmed from growing on private property, i.e. the back side of wall. This does not apply to existing vines have already grown over. If adjacent property owner requests ivy or vegetation trimmed from top of wall, contractor shall be required to remove it.
 - b) Hedge plants shall be allowed to grow together.
 - c) Rosemary and like ground covers to be cut back to 8-12" in height. Except where rosemary is already overgrown.
 - d) Ornamental grasses are to be pruned back during the winter months.
 - e) Ground cover roses are to be encouraged to grow together and are to be kept under 24" in height.
 - f) Spring flowering perennials are to be cut back after flowering. Examples Lavender and daylilies.
 - g) Oleanders on South Monterey are to be pruned back every two years.
 - h) A three foot radius of free space shall be maintained around all fire hydrants. Low ground (under 6") cover is ok.
8. Allow plants to grow to their natural shape.
9. All shrubs and ground cover is to be trimmed not to interfere with irrigation operation or to **encroach** on to private property or Right-of-Way. Line of sight traffic safety issues as identified by City engineering Department will also determine proper height and appearance.
10. All dead, diseased and unsightly branches, vines or other growth shall be removed as they develop.
11. All shrubs are to be trimmed symmetrically in **natural form and proportion**, but not to interfere with vehicular and pedestrian clearance, visibility and access, unless otherwise directed by a City's representative. Prune shrubs to encourage healthy growth habits, natural form and proportion, symmetrical appearance and proper vertical and horizontal clearance. Line of sight traffic safety issues as identified by City Contract Inspector will also determine proper height and appearance.

B. Trimming and Care of trees includes:

1. Qualified Professional personnel shall perform all pruning. Only recognized and approved methods, techniques and standards shall be used. Trees pruned improperly or damaged will be replaced by Contractor with plants of the same appropriate size as determined by the City inspector.

2. All tree pruning shall conform to the Best Management Practices for Trees published by the International society of Arboriculture and adhere to the most recent edition of the American National Standards for Maintenance Tree Care Operations (ANSI A330)
3. Contractor shall raise trees as needed or directed by city staff and/or designated representative.
4. Pruning of trees shall be done for the following conditions:
 - a. To maintain clearance for pedestrians (8 feet), road ways for vehicles (15 feet), or from facilities (5 feet).
 - b. Property line/boundary pruning for both balance and good neighbor pruning for sound walls, parks, and pump stations areas
 - c. To provide visibility site lines of pedestrians and motorists.
 - d. To maintain walkways and maintenance bands free from obstruction and /or safety issues.
 - e. To improved or enhance tree growth.
 - f. To eliminate or reduce potentially unsafe conditions.
 - g. To correct shape, particularly for wind disfigurements.
5. Remove no more than 20% of live foliage within the trees during one pruning operation.
6. All cuts shall be thinning cuts as opposed to heading cuts. This means leaving a lateral branch no less than 1/3 the diameter of the parent branch, or completely removing the branch at its point of origin.
7. All cuts shall be distal to the branch bark ridge or, if present the branch collar. The cuts shall be close to but shall not injure the branch collar.
8. Interior branches shall not be stripped out. Liontailing is not permitted.
9. Contractor shall prune young trees under 18 foot in height to develop permanent scaffold branches, remove crossing branches, remove diseased or damaged growth, or eliminate narrow branch crotches.
10. Major tree trimming is not included. Major tree trimming is defined as work that requires an aerial lift (bucket truck), tree climbing or work that cannot be done from the ground with a pole saw or pole chain saw.
11. Trees shall be inspected regularly for hazardous conditions. Corrective action shall be promptly performed by the contractor and the city notified.
12. Contractor to coordinate with city staff on large pruning projects so city can chip branches. A notification of ten working days is required in non-emergency conditions.
13. Periodic re-staking and tying shall be done as needed. Plant ties shall be checked frequently and adjusted to prevent girdling. Trees shall not rub against stakes at any time. When trees no longer require the support of stakes, contact the city for authorization to remove staked and ties.
14. Young trees which are leaning due to under developed truck caliper will be staked at the direction of the city.
15. Fallen trees or branches shall be promptly removed. Promptly notify the City for large trees down.

12. Landscaped Roadways, Roundabouts, and Medians

1. The scope of work for medians not only includes the landscaped areas but also those areas of the median that are attached or directly adjacent to cobble/concrete hardscape per its design. (Noses and turn lanes are examples of this condition).

2. Plant material shall not be allowed to obstruct any site line of vehicular traffic, and shall be kept below 36" in height from the road surface in any areas where traffic site lines may be impacted. City Traffic Engineer and Landscape Inspector may provide direction as requested for proper maintenance.
3. Irrigation shall be adjusted and inspected as often as needed to insure no unsafe condition is created by irrigation run-off onto road surface or over spray onto vehicles.
4. All maintenance personnel shall wear class 3 safety vests while working on medians, and at no time shall major work be performed in the roadway without City approved Traffic Control Plan and all required traffic control signage in place.
5. Contractor is responsible for insuring that all median maintenance is performed in a safe manner and that no hazard is created by such operation.
6. When closing a lane for landscape maintenance work an electronic sign board (arrow) shall be used in high speed and/or high traffic areas (i.e. Santa Teresa). Work shall only be performed on the closed lane side.
7. Cones are to be bright orange. Old and faded cones shall be replaced.
8. Notify city staff when high speed or high traffic areas are to be serviced via email.
9. If the work (minor work) to be performed in medians and roundabout will take less time to complete then the time it takes to set up traffic control, then no traffic control is necessary. An example would be weed spraying, litter control, or irrigation maintenance.

13. Turf Care

A. Turf Mowing

1. The contractor shall not mow, or use any equipment of turf areas when frost is present or if the turf is saturated or standing water is present. Mowing should not begin until turf area is free of litter and trash.
2. Mowing shall be accomplished with rotary mulching mowers. Blades shall be kept sharp to produce a clean cut. Mowers shall be kept clean and free of fuel, oil, hydraulic fluid, and grease leaks.
3. Mowing equipment shall be washed between sites to minimize the spread of weed seeds.
4. Mowing patterns shall be alternated to avoid creating ruts and compaction.
5. Use caution when mowing berms or uneven areas to avoid scalping turf. Rodent dirt mounds need to be knocked down, spread, or removed so as reduce turf loss until rodent activity is abated.
6. Mowing shall typically be performed as needed from December through March and at least weekly from April through November. This is a guide only and will vary based on weather. Mowing shall be frequent enough so that no more than 1/3 of the leaf is removed at each mowing. During active growing season, mowing may need to be done twice weekly on play fields. Mowing height shall be 3 1/2 "unless otherwise directed by city staff. Sports Field mowing heights may change during seasonal play.
7. All clippings shall be efficiently mulched to leave no visible trace or picked and removed only when necessary and removed to a designated dumping site. At no time shall unsightly clippings be left before vacating site following mowing operation.

8. Contractor shall have a spare mower of comparable size available within 24 hours of a mower breaking down.
9. Keep grass clippings away from waterways and out of the street.

B. Turf Aeration

1. All turf (not including the no-mow turf) shall be core aerated in September/October. Cores should be reincorporated into the turf. Core size should be ½" diameter. Alternative methods of relieving compaction may be authorized by City.
 - a. Core aerate Christmas Hill Park & Ranch site, San Ysidro Park, Los Arroyos Park, Sport Park, and Sunrise Park again in April.
2. Prior to any cultivation activity, all irrigation heads, valves, and utility boxes shall be flagged. The soil shall be allowed to dry prior to cultivation.

C. Edging

1. When turf abuts concrete walk ways or concrete mow band, turf shall be edged with a metal blade edger. If a spin trimmer is required to edge around utility boxes, or wooden header boards, it shall be held so that the cut is vertical. A bevel cut will not be used. After mowing or edging hardscape (walks/drives/patios/streets) shall be swept or blown clean. Debris will not be left in street gutters or and removed before vacating site.
2. Tree wells are to be maintained with a neat turf edge and wells shall be kept weed free.
3. Chemical edging shall not be used anywhere.

D. Turf Fertilization

1. Fertilization schedule for all turf shall be:
 - a. March/April 44-0-0 Polyplus SL
 - b. Late August, early September 16-8-8
 - c. October-November 44-0-0 65% Polyplus SL Urea
2. Granular gypsum at a rate of 5#/1000 square feet will be applied to the Sports Park and Christmas Hill/Ranch sites in September/October
3. Granular sulfur at a rate of 5#.1000 square feet will be applied to the Sports Park and Christmas Hill/Ranch sits in September/October
4. The Sports Park is equipped for fertilizer injection. This may be used to supplement the above and possibly replace some of the granular applications.
5. The above is a guide and may be adjusted based on turf conditions and weather.
6. Fertilizer use shall be reported with pesticide use.

E. Turf Pest control

1. **Weeds** - The contractor is to submit a turf weed control plan that will lead a substantial reduction in turf weeds. This turf weed control plan is be submitted to and accepted by the City. Failure of contractor to apply herbicides according to the plan will result in "service not provided" actions. No pesticides, herbicides, or other chemicals may be used in or around Low Impact Development Structural Control Measures such as Bio-retention ponds, bio-swales, or infiltration ponds of any kind.

14. Pest Control

1. **Non-Turf Weed Control Plan**-Develop an annual weed control plan that your company feels would produce a cost effective approach that provides high quality results for shrubs and ground cover, annual flowers, bike/walking trails, open space edges/ post and cable/fence lines, and hardscape (cracks and crevices) including sidewalk, curb and gutter frontages. Control weeds with pre-emergent herbicides and selective systematic herbicides or through mechanical means, i.e. mowing, hoeing and weed whipping.
2. **Village Green Park Site and open space areas west of Hecker Pass Park along Uvas Creek Bike Trail (Debell & Uvas Creek Linear Park)** -Sites are to be mowed after wildflower bloom (by June 1) and as needed after first mowing. Develop a plan to eliminate Yellow Star Thistle, *Dittrichia graveolens*, and other invasive weeds which will allow wildflowers to thrive.
3. **Written Pest Control Recommendations** - A written pest control recommendation from a licensed pest control advisor will be required for all pesticide applications. The contractor shall provide copies of all recommendations to the City at least 5 working days prior to application. Recommendation shall take into consideration drainage to water ways (Uvas Creek), drain inlets, and adjacent schools. Recommendation shall evaluate pesticides used and application activities performed and identify pollution prevention and source control opportunities.
4. Prohibit application of pesticides, herbicides and fertilizers as required by the regulations DPR 11-004 Prevention of Surface Water Contamination by Pesticides enacted by the Department of Pesticide Regulation.
5. No spraying shall be within 48 hours of predicted rainfall with greater than 50% probability as predicted by National Oceanic and Atmospheric Administration (NOAA).
6. Collect and properly dispose of unused pesticides, herbicides and fertilizers containers.
7. Do not spray weeds in playground areas. Weeds are to be removed manually.
8. Reoccurring unwanted plants (i.e. berry bushes, poison oak) are to be sprayed to kill plant roots or removed by digging up root system.
9. Trees in turf - maintain a minimum 3 ft. radius weed free.
10. Product Use Summery - Prior to the 15th of the month, the contractor shall provide to the city a summary of pesticides used the prior month. Provide the product EPA registration number and the amount of product used.
11. **Posting** – post all entry areas with spray notices when broadcast spraying public use areas and verbally notify public visitors when spot spraying when in the area. Remove facility spray notices when spraying is complete unless product label provides for different posting requirements.
12. **Spray marker** – the routine use of spray marker dyes is discouraged. Contact the City if such use is desired
13. **Moluskacides** should be iron phosphate based or other City approved control
14. **Rodenticides** applied for gopher control must be applied into underground burrow. Rodenticides applied for ground squirrel control must be placed into secure bait stations. The City must approve bait station design and location. Applicators applying restricted use rodenticides must hold appropriate licensing

15. **Pest Control Licensing** – The contractor shall have a qualified person who holds the appropriated California Department of Pesticide Regulations licensing oversee all pesticide applications. If restricted materials are used, the applicator must be licensed.
16. **Trails** – keep trail shoulders free of weeds 24” from any trail hardscape edges. Concrete fences shall be kept weed 12 inches into preserve areas.
17. Minimal insect control is practiced and is to be handled on a case-by-case basis. This is included in the contract. The City will not be charged for this service.
18. Minimal disease control is practiced and is to be handled on a case-by-case basis. This is included in the contract. The City will not be charged for this service. In the last five years no disease control was necessary.
19. **Rodent Control**
 - a. All mounds, burrows, or other minor damage shall be discovered in a timely manner and repaired by Contractor. Rodent problems should be identified and reported to the City in their early stages as part of weekly inspections before causing critical damage to areas. Lack of early discovery will be considered negligence on the part of the Contractor. Depending on the scope of the problem, rodent control in the form of baiting or trapping will be recommended and scheduled work.
 - b. **Gopher**
 - i. The contractor shall obtain a written pest control recommendation from a licensed Pest Control Advisor for baiting for gopher control. All bait shall be placed below ground in the burrow system. Any spilled bait shall be promptly picked up. Any dead gophers found on the surface shall be collected and properly disposed of.
 - ii. If trapping is to be used all State Regulation must be followed. If trapping is to be used, contractor shall notify and get City’s approval on sites and locations. Dead gophers must be disposed of properly.
 - iii. The contractor shall comply with all other provisions of pesticide requirements.
 - iv. The contractor shall promptly remove or disperse any soil mounds discovered on the turf.
 - v. City to work with contractor to set up bait station for squirrels if necessary.
 - vi. No use of chemical control measures for rodents in Low Impact Development Structural Control Measures such as Bio-retention ponds, bio-swales, or infiltration ponds of any kind is allowed under this contract.
 - c. Most landscape site rodent control shall be handled on a case by case basis and coordinated with City representative. Contractor shall provide a cost to include 100 site visits per year on the Attachment B Fee Schedule. This will be done on a “call out basis”.
 - d. These parks sites below will need site visits/treatments a minimum of every other week to control gophers, ground squirrels and moles.
 - Carriage Hills
 - Casper Park (Future Park Site)
 - Christmas Hill Park/Ranch

- Farrell Park (Future Park Site)
- Hecker Pass Park (Future Park)
- Las Animas
- Phase 1 Heartland West Debell & Uvas Linear Park
- San Ysidro
- Sport Park
- Village Green Park

15. Irrigation

- a. The contractor shall have designated Irrigation Technician on site who will do only work on irrigation.
- b. Contractor and its employees shall bi-weekly (every two weeks) inspect and test all irrigation systems for system operability; component malfunctions, and adjusts schedules to address weather changes and irrigation requirements. Any signs of irrigation malfunctions will be immediately addressed and system checks will become as frequent as necessary to insure problems are fully resolved without any further damage. These inspections may also become more frequent in certain areas that are under observation due to chronic malfunctions or vandalism. Between November 1 and March 1 if systems are turned off because of weather conditions, monthly inspections will be acceptable to insure that there has been no damage to the systems.
- c. **After Value-**The contractor shall be responsible for all labor for the irrigation repairs after the valve including the solenoid, rebuilding of the valve, lateral lines, and sprinkler heads, and including adjustment to sprinklers. Contractor to bill the City for all irrigation material costs plus a fifteen (15) percent markup.
- d. **Before Valve:** Replacement of remote control valves, rebuilding or replacement of quick couplers, flow control valves, master valves, backflows and mainline repairs are not included and shall be billed to the city at an hourly rate basis or on a bid basis. The city's representative will ok work to be done on case by case basis. All irrigation materials used will be charged to city at cost plus a fifteen (15) markup.
- e. An irrigation audit shall be done during the winter months listing all extra work that should be done to improve system efficiency, i.e. raised heads, upgrading of nozzles and delivered to the city representative by the end of February.
- f. Under no circumstances can a system go unchecked long enough to cause any problems with startup when weather conditions warrant systems to be fully operational. Contractor shall set and program automatic controllers for seasonal watering requirements.
- g. **Non-central station controllers.** The contractor will be responsible for adjusting non-central controllers. A sign in sheet shall be placed inside each irrigation controller box that designates by date and signature each time the system is inspected or adjusted.
- h. All replacement materials are to be with new original types and models materials, unless a substitute is approved by City representative.
- i. Contractor shall maintain an adequate inventory of medium to high usage stock items for repair of the irrigation systems.
- j. Contractor shall implement repairs in accordance with all effective warranties, and no separate payment shall be made for repairs on equipment covered by warranty.
- k. Notify the owner in writing of any conditions that are discovered which may prevent the system from delivering the correct amount of moisture.

- l. Adjust risers and sprinkler locations to compensate maturing landscape. This work will be done at an additional cost. The Irrigation Technician shall notify city staff of needed work.
- m. Reflect actual evapotranspiration (E.T) requirements and requirements of soil and plants when programing controllers.
- n. Eliminate runoff onto streets, sidewalks, and other non-target areas by using Cycle/Soak when programing controllers.
- o. Provide sufficient time for soil to dry out between irrigations.
- p. Program controllers to maximize public use of City property.
- q. Repairs of any irrigation components or property damaged by Contractor or as a result of negligence, error or omission by Contractor shall be the full responsibility of the Contractor.
- r. **Remote control valves**
A variety of RCVs are used though out the city. The predominant valve is the Weathermatic 21000. Griswold 2000 is used at El Roble Park, San Ysidro Park, and Las Animas Park. Portions of Las Animas Park also use Rain Bird PEB. Griswold S series valves are used at Las Animas Fire Station and the Museum. If an S series valve requires replacement, it will be changed out to a PEB. Carriage Hills Park and Sunrise Park use Hunter ICV. A few sites will still have Rain Bird EFA, EF, and GB valves. If a valve requires replacement, contact the city for a determination as to which valve to use.
- s. **Quick coupler valves**
The standard quick coupler valve is the single slot Rain Bird 44 or Buckner QB44RC10. A few ¾" valves may be found in some older sites. 1" Acme thread valves are used on recycled water lines at the Sports Park and Christmas Hill. Quick couplers repair is a City of Gilroy responsibility.
- t. **Master Valves & Flow Sensors-** Master valves used are normally open Superior 3300. Del Rey Park and the Ranch Site use Griswold normally open 2160 valves. Rainbow Park and Leavesly at Arroyo Circle use normally closed valves. Master Valves and Flow Sensors are the Cities responsibility to repair.
- u. **Fixed Spray heads**
 1. The standard pop-up fixed spray head is the Rain Bird 1800 series SAM-PRS. Twelve inch pop-up is typically used in ground cover, shrub, and bedding plant areas. Four inch has been used in turf. If it is necessary to replace a four inch body in a turf area, it should be upgraded to a six-inch pop-up.
 2. Hunter twelve-inch INST pop up heads were used at several sites. If new internal piston assemblies are needed for these, contact the city. The city will provide these while supplies last. After supplies are exhausted consideration will be given to changing these out to Rain Bird heads as needed when making repairs.
 3. All heads used on recycled water lines must be equipped with purple caps.
 4. New Casper Park has Toro Precision nozzles
- v. **Rotor Sprinklers**
A variety of rotor heads are used in the city systems. Some sites are slowing being upgraded as heads require replacement. The predominant heads are Rain Bird 6540, and 8005. From the Hunter line we use the I-40, I-20, I-60, and we may introduce the I35. There are still some impact heads used at San Ysidro Park, Las Animas Fire Station and Christmas Hill Park. Heads used on recycled

water systems must have purple caps. If heads are changed, ensure that the appropriate size nozzle is used. Do not assume that the nozzle size in place is always correct.

w. Drip

1. Drip irrigation is used in the medians on Santa Teresa and Tenth Streets, as well as at City Hall, the Library, and Wheeler. In general when drip is used we go with a ½" in-line emitter product such as Agrifim or Netafim. We try to avoid on-line emitters and the use of ¼" tubing, although these may be found at City Hall. Purple drip line must be used on the gray water system at the Library. When making repairs on these systems verify that the product used has the appropriate flow rate. Amiad is the filter typically specified, and when possible it is installed on the supply side of the remote control valve. Pressure regulators used are Senninger, Nelson, or other approved product.
2. New sites in the City such as Casper Park, Hecker Pass Park, 3rd & Santa Teresa Roundabout, Luchessa/Thomas roundabout, and Luchessa Soundwall and median use buried inline drip.

x. Flow Sensors

Data Industrial (Badger) flow sensors are used at many sites.

y. Pumps

1. A variety of pumps are used in the system. The pumps at Del Rey Park, Ranch Site, and the Oakbrook Soundwall on Luchessa at Thomas Road are started by the controller. All other start automatically on pressure drop or flow. Pump maintenance will be handled by the city.
2. New Park site Casper Park and Farrell Park will use pumps. Pump maintenance will be handled by the city.

z. Controllers and Programming

1. The standard controller used on city facilities is the Rain Master Evolution (approximately 60). Most of these are linked to a central station computer at the Parks Office at the Gilroy City Corporations Yard. There are a few small sites with stand-alone Rain Bird, Hardy, or Irritrol controllers. There are two sites with battery operated controllers. As time and funds permit, the stand alone controllers will be upgraded and linked to the central. Most of the on-line controllers are linked to flow meters and master valves and will shut down the system if high or unscheduled flows are detected. Low flow and electrical faults are also detected by the central system. The central controller is linked to an on-site weather station and that data is used to adjust station run times and shut down during unfavorable weather events. The landscape contractor is expected to communicate with city staff regarding site irrigation needs and to program stand-alone controllers. The contractor is also responsible for promptly shutting down stand-alone controllers as needed during rain events. The city will service irrigation controllers.
2. City staff will program controllers which are on-line with the central system. Irrigation programming will be coordinated around facility use.
3. The general guide for irrigation is to water deeply but infrequently. The soil surface should be allowed to dry between irrigations. Typically three irrigations per week is sufficient for turf. Irrigation schedules must take into account public

use of the facility and hydraulic capacity of the systems. Irrigation programming will be coordinated with the city.

4. The landscape contractor is expected to communicate with city staff regarding site irrigation needs and to program stand-alone controllers. The contractor is also responsible for promptly shutting down stand-alone controllers as needed during rain events. The city will service irrigation controllers.
5. Upon completion of work, verify that all cabinets are properly locked before leaving the area. Due to the potential damage to systems from leaving a cabinet unlocked, this type of infraction will be considered a serious act of negligence by the contractor.
6. When site irrigation is checked or serviced the Irrigation Tech shall sign and fill out Controller Maintenance sheet provided in each controller.

F. Recycled Water:

The Sports Park, Casper Park, Hecker Pass Park, Village Green Park, the new 3th Street/Hecker Pass landscaping, Christmas Hill Park & Ranch site is irrigated with recycled w water. This is disinfected tertiary treated waste water which is provided by the South County Regional Wastewater Authority. All irrigation water used at the Ranch is recycled water. The main Christmas Hill Park site uses a mix of domestic water stations with the exception of the full circle stations on the major and minor ball fields which are irrigated with recycled water. At the Sports Park, the infield turf is irrigated with domestic water. All other irrigation at the Sports Park is recycled.

All irrigation heads and pipe shall be color coded purple or otherwise labeled. Only Acme threaded quick couplers shall be used on recycled water systems. Employees working on sites with recycled water shall be trained on the precautions to use. The contractor foreman or supervisor is encourage to attend the annual supervisors training conducted by the South County Regional Wastewater Authority. Contact the city for additional information on this.

G. Gray Water:

The library landscape is irrigated with gray water. The water is treated; however, it is not disinfected. The water is used for drip and bubblers only. The gray water may not be sprayed or otherwise discharged to the surface. The gray water irrigation main line is under continuous pressure. Drip line, bubblers, and piping used for gray water shall be colored purple. Valves used for gray water shall be tagged as non-potable. The city will maintain the gray water treatment tanks and pumps. Employees working on the gray water system must be advised of precautions to use.

16. Care for Storm Water elements-Low Impact Development Structural Control Measures (LID SCMs) There are three small Bioretention Ponds on Babb's Creek.

Bioretention Features and Maintenance & operations work includes:

- Report and fix any pedestrian paths that develop. Contractor shall notify the City to the presence of any pedestrian paths that develop. Contractor shall work with the contractor to rectify the problem.
- Remove all trash and debris on service schedule.
- Fix rodent holes and erosion with proper materials per design specs.
- Manually remove all weeds.
- Trim over-grown plants that are blocking the inlets or outlets, or if they are growing into the public right-of-way.
- No pesticides, herbicides, or other chemicals may be used in or around the Bioretention features.
- Remove sediment buildup at the bottom of the Bioretention feature. Sediment buildup of over 1 cubic yard shall be removed by the City.
- Replace dying or dead vegetation, as needed. Plant replacement is not included in this contract. Contractor shall notify the City of dying or dead vegetation. City will contract with contractor to replace plants.
- Adjust irrigation schedule, if needed, for healthy plants.
- Report and fix odors. If there is an order problem contractor shall notify the City. Contractor will work with the City rectify problem.
- Report and fix any pedestrian paths that develop. Contractor shall notify the City to the presence of any pedestrian paths that develop. Contractor shall work with the contractor to rectify the problem.
- Control Rodents in Bioretention features by non-chemical means.

Bioswales (Along 3rd Street and Hecker Pass Park) Features work includes:

- Water must flow downstream to inlet. Confirm there is no evidence of long-term ponding which causes dying plants and/or bare spots at the bottom of the swale.
- Fix any flow paths that develop.
- Remove all trash and debris on service days.
- Fix rodent holes and erosion with proper materials per design specs.
- Manually remove all weeds.
- Trim over-grown plants that are blocking the inlets or outlets, or if they are growing into the public right-of-way.
- No pesticides, herbicides, or other chemicals may be used in or around the swales.
- Remove sediment buildup at the bottom of the swale. Sediment buildup of over 1 cubic yard shall be removed by the City.
- Fix ponding by replacing soil per design specs. This shall be done by the City or contractor shall be contracted to make repairs.

- Replace dying or dead vegetation, as needed. Plant replacement is not included in this contract. Contractor shall notify the City of dying or dead vegetation. City will contract with contractor to replace plants.
- Adjust irrigation schedule, if needed, for healthy plants.
- Report and fix odors. If there is an order problem contractor shall notify the City. Contractor will work with the City rectify problem.
- Report and fix any pedestrian paths that develop. Contractor shall notify the City to the presence of any pedestrian paths that develop. Contractor shall work with the contractor to rectify the problem.
- Control Rodents in Bioretention features by non-chemical means.

Garlic Festival

Contractor will coordinate with the City with pre and post festival service level changes during the two week impact of this special event.

Locks, Deficiency, Severance and Termination

Locks and Keys

The Contractor shall be responsible for the series of keys assigned to it and shall assign these keys to its personnel for use in maintaining the facilities. The Contractor shall properly use and keep safe all keys or locks issued or used by the City to the Contractor.

The contractor shall report all lost or stolen keys or locks to the City representative(s) within twenty-four (24) hours after discovery of the loss. The Contractor shall reimburse the City for the total cost, as determined by the City, of replacing the lock, re-keying the site or duplicating additional keys.

Upon termination or cancellation of the Contract, the Contractor shall immediately return all keys, cards, remote controls, etc., to the City. The Contractor shall reimburse the City for the total cost, as determined by the City, for the total cost of keys not returned.

Deficiency Notice Procedures

- a. Deficiencies will be recorded and presented to the contractor via e-mail, fax or U.S. Mail. The Contractor shall respond within 24 hours with a plan to remedy and to prevent future occurrence, Contractor will be responsible for providing follow up documentation. Contractor supervision is responsible for re-inspection of problem areas before notifying the City the problem has been resolved.
- b. Contractor's management team must be available for face-to-face meetings called by the City within 48 hours of notification.
- c. Failure to resolve the problem will result in a written vendor "Non-Compliance" report seeking a written response from the contract management outlining a permanent resolution to the problem. Patterns of complaints, which may indicate the contractor's failure to adequately staff, train and supervise, shall cause a face to face meeting with the highest level of the contractor's management deemed necessary by the City in order to clarify the contractor's obligations and produce a written work plan and time frame for remedying the deficiencies.

- d. Failure to resolve a written “*Non-Compliance contract services notice*” will result in one or all of the following:
 - i. Payment deductions to the Contractor for services not performed per contract where City had no or reduced service.
 - ii. Termination of selected contracted service area/s because of contractor’s continued failure to perform in the designated areas.
 - iii. Total contract termination for failure to perform after repeated “Notices of Non-Compliance” have been issued.
 - iv. Contract works that the contractor failed to perform and City staff was compelled to perform and must fill in for, will be back charged (labor and equipment) to contractor. (Example: contractor fails to mow turf as scheduled. City may do work and back charge contractor.)

Right of Severance and Termination

1. **Remove worker:** The City shall have the right to request removal of any specific Contractor worker from City contract properties for the following:
 - a. The City reserves the right to request removal of any specific Contractor worker if the worker is deemed by City to be incompetent or negligent based on worker’s inability to execute required project tasks.
 - b. For failure to adhere to the City’s standards
 - c. For worker misconduct.
2. **Terminate contract:** City reserves the right to terminate this contract with Contractor upon 10 days advance written notice should Contractor fail to meet obligations of the contract as noted under Deficiency Notice Procedures (d. iii above). Such failures include, but are not be limited to:
 - a. Consistent failure to respond to requests for service or to remedy contract deficiencies,
 - b. Consistent failure to provide qualified, trained workers and supervisors,
 - c. Contractor failure to keep City informed.
3. **Back charge** –City will bill Contractor for work not performed where city staff had fill in.

One Site Safety

Maintenance and Operation of Equipment and Vehicles

The Contractor shall take necessary precautions for the safe operation of equipment and the protection of the public from injury and damage from such equipment and vehicles. Contractor shall repair or replace, immediately, all equipment deemed by City to be unsafe, irreparable or in unsatisfactory condition. All vehicles shall have the contractor’s name visible to the public.

Contractor shall operate equipment and vehicles so as to minimize service vehicles driving off pathways and hardscape onto turf and planters with irrigation and plants and prevent damage. Contractor shall use street frontages and parking areas rather than pathways and sidewalks when possible operating vehicles in contract sites.

String Trimmers

Contractor shall train staff and operate all string trimmers in a safe manner. Training shall include proper techniques in avoiding flying debris and protecting staff, pedestrians and vehicles from harm. Care shall be exercised with regard to the use of string trimmers to prevent damage to building surfaces, walls, header board, light fixtures, signage, etc. **String trimmers shall not be used around trees.** A 2 to 3 foot soil buffer zone shall be maintained around the circumference at the base of all trees, unless otherwise directed by City. Any trees damaged by string trimmer or mower shall be replaced at no additional cost to the City.

Reference Materials

The following documents will be used to judge best and proper landscape practices and procedures unless otherwise specified or instructed.

All specifications for materials to be used and construction guidelines will be based on City of Gilroy Construction Standards unless otherwise noted and/or approved.

Latest edition Sunset New Western Garden Book

Standard practices of the International Society of Arboriculture

Cal-OSHA Requirements

The contractor shall comply with all provisions of the California Occupational Health and Safety Act., taking all precautions in the performance of the service to prevent injury to persons and property.

Accident Reporting

The Contractor shall immediately notify the designated City representative(s) of any accident, regardless of whether or not injury or damage is evident, involving the public and the Contractor's staff, vehicles, and/or equipment. The Contractor shall provide all written reports and/or documentation requested by the City.

Management and Supervision

The Contractor shall provide fully trained and qualified personnel. The staff activity will be closely monitored by City representative(s) at each site to detect operational irregularities and non-compliance with the Contract.

It is the responsibility of Contractor's executive, management, and supervisory staff to oversee the activities of its staff, throughout the range of its activities at all contract sites.

The City will not supervise the contractor's supervisors or employees.

All Supervisors must be qualified, proficient in English, trained and capable of providing adequate supervision and direction of all staff and must demonstrate verbal and written communication skills sufficient for the work required herein.

The Contractor's crew leader and operational staff, as well as their supervisory and management staff, shall be knowledgeable in this Contract and its time lines. An outline of the task

requirements, schedule, and time lines for each site shall be kept with each crew. If any task cannot be thoroughly completed within the Contract schedule time line, the City's representative shall be notified promptly in the prescribe manner established at contract startup.

Contractor shall be expected to take reasonable care to identify and report conditions/situations/occurrences which may be harmful or result in decline of plant material or landscape or interfere with public use. If this care is not exercised then repair of resultant damage to landscape or plant material shall be the responsibility of contractor.

Contractor to incur all costs to assess, repair or replace any physical property damaged as a result of contractor's negligence or failure to take reasonable care to identify and report potential problems with the landscape.

Contractor shall inspect and identify any condition(s) that renders any portion of a site unsafe, as well as any unsafe practices occurring thereon, and shall immediately notify the City representative(s) of any unsafe or undesirable condition(s). Contractor shall take emergency safety actions to protect worker and or the public from a developing or observed hazardous conditions. Safety action taken by the contractor not related to normal contraction services shall be appropriately compensated by the City when justified in writing and include any public safety call for service report number.

The Contractor shall make minor corrections including, but not limited to, filling minor holes in turf and activity areas, using barricades or traffic cones to alert the public to the existence of hazards, replacing Contractor-damaged valve box covers, and securing any damaged apparatus so as to protect members of the public or others from injury.

If needed, the Contractor shall assist the public by summoning emergency assistance while at the site. The Contractor shall cooperate fully with City in the investigation of any injury or death occurring at any site, including a complete written report.

During all operations, the Contractor shall comply with local ordinances regarding noise levels. Any scheduling of the Contractor's operations may be modified by City at no additional compensation to Contractor in order to ensure that the public is not unduly impacted by the noise of equipment or operations.

EXHIBIT "C"

MILESTONE SCHEDULE

Service Frequency and Schedules

Inspect and service every site base on the sample with once per week as a base standard. Less frequent or more frequent services may be approved as necessary to insure specifications and standards are met.

The Contractor shall, within ten (10) working days after the effective date of the Contract, submit a work schedule to the City's representative(s) for review and approval. Said work schedule shall be based on a twelve-month calendar identifying and delineating the time frames for the required work by the day of the week, morning or afternoon.

The Contractor shall submit revised schedules / calendars when actual performance differs substantially from planned performance. Said revisions shall be submitted to the City's representative(s) for review and, if appropriate, approval, within five (5) working days prior to scheduled time for the work.

At the discretion of City staff, weekly inspection meetings will be held(or more frequently if deemed necessary by the City) between the Contractor and the city representative(s) are to be scheduled to determine progress, review weekly site inspections and address any changes in schedules, problem areas, etc.

Contractor shall notify the City, in writing (email), at least two (2) weeks prior to the date and time of all pre-approved "Specialty Functions." **"Specialty Functions"** are defined as:

- a. Fertilization
- b. Tree Trimming/Management
- c. Aeration of Turf

Performance during Inclement Weather

During the periods that rainfall hinders normal operations, the Contractor shall adjust its workforce to accomplish those activities that are not affected by weather. The prime factors in assigning work shall be the safety of the workforce and damage to landscaping. Leaf and down branch pickup and drain clearing are a high priority. Rainy days are not an excuse to pull workforce from city. Contractor shall continue landscape tasks that can be safely preform in the rain. Such as sidewalk pruning, low limb removal, or items that city contractor inspector points out.

Sites and On-Call services are also itemized under Exhibit "D" (payment/fee schedule).



Exhibit "D" Payment Schedule

Attachment B Landscape Maintenance Contract Fee Schedule Submittal for City Wide Landscape Contract 18-RFP-PW-397 Revised October 30, 217

Reference #	Aerial Map #	City of Gilroy - Contract Fee Schedule	Minimum Weekly Site Service Visit Frequency	Comments	Annual Maintenance Fee	Annual Irrigation Service Fee	Root Control	Total Annual Fee
Soundwalls/Medians/Islands/Trails								
1	1	3rd Street Roundabout	1	Completed- Roundabout and side planters	\$ 9,467.27	\$ 1,000.44		\$ 10,467.70
2	18	10th St medians West of 101	1	Two medians	\$ 4,733.63	\$ 500.22		\$ 5,233.85
3	22,23	Babb's Creek Park Preserve on Oak Brook & Babb's Creek	1	Sidewalks, park strip planters, concrete fence lines (wood), Street Frontage, First encroachment, Bridge, 2 garbage cans. This site has three <i>Bioriviera</i> Features. See plans and <i>Bioriviera</i> Maintenance Specs.	\$ 3,991.30	\$ 1,000.44		\$ 4,991.73
4	30	Bike Path from Village Green Park to Bike Park (future 2019-20)	1	Approximately 3.5 miles of trail. Waiting for construction to begin-Weed control 7 on each side of bike path. Weed control around concrete fence, one foot into preserve and around planted trees and plants.	\$ 9,467.27	No Irrigation		\$ 9,467.27
5	3	Bluebell-Fence line along golf course	1	Both sides of street. Keep native vegetative look and keep plant from encroaching into street or pathway	\$ 4,733.63			\$ 4,733.63
6	11,15	Chastnut Pedestrian Bridge	1	Chastnut Street dead ends into Pedestrian Bridge and crosses over to Lewis Street/East Gilroy	\$ 4,733.63	\$ 500.22		\$ 5,233.85
7	22	Crookside Soundwall	1	On Santa Teresa north of Thomas (east side)-across from Thomas along trail	\$ 4,733.63	\$ 500.22		\$ 5,233.85
8	24,25	Leaves Trail north and south-Uvas Creek Park Trails	1	Maintain weed free 2 feet on each side of trail-approximately 2.5 miles long/Santa Teresa Bridge to Sports Park	\$ 4,733.63	No Irrigation		\$ 4,733.63
9	16	Elfin & Camino Arroyo and (Trail & Bridge-see Sixth Street Trail Map) Corner Landscapes is 6th Camino Arroyo	1	See 6th street trail map. Maintain weed free 2 feet on each side of trail. No Mow-Turf in planters on 6th and Camino Arroyo.	\$ 4,733.63	\$ 500.22		\$ 5,233.85
10	14	Gilman - Island	1	Raise trees as needed.	\$ 4,733.63	No Irrigation		\$ 4,733.63
11	10	Leavenly medians	1	Four median islands on Leavenly Road/State Highway right of way/ Traffic Controls	\$ 9,467.27	\$ 1,500.65		\$ 10,967.92
12		Leavenly to Gilman (6th street) trail	1	566 Chained next to freeway-construction pending 2017-18 Informational Only	No Bid at this time	No Irrigation		
13	7	Lion's Creek Trail	1	Maintain weed free 2 feet on each side of trail. Garbage cans need to be serviced. Trail runs from Kern through Wras and on to Ferrell. No Irrigation	\$ 4,733.63			\$ 4,733.63
14	6	Longmeadow - Soundwall	1	North side between Santa Teresa and Redco	\$ 4,733.63	\$ 500.22		\$ 5,233.85
15	23	Lachasa - Soundwall and Median	1	Between Greenfield and Lachasa	\$ 9,467.27	\$ 1,500.65		\$ 10,967.92
16	20,21	Lachasa/S. Monterey - Soundwall and Median	1	Mowing Delta Bluegrass Native Boutanias-Turf is to be mowed with using trimmer mid to late spring (or when directed by city representative) to remove the flowers or seed heads. Never remove more than 1/3 of the leaf blade with any single mow cycle. Long informal look to remain. Trim along concrete edges.	\$ 14,200.90	\$ 2,000.87		\$ 16,201.77
17	20,23	Lachasa/Thomas Roundabout	1	Roundabout and surrounding planters around circle.	\$ 4,733.63	\$ 500.22		\$ 5,233.85
18	5,6	Mantelli - Soundwall West (Mantelli Gap)	1	Soundwall on North side only	\$ 3,313.37	\$ 500.22	Not Included	\$ 3,813.59
19	5,6	Mantelli Soundwall and Park strips East (Mantelli Gap)	1	Soundwall and park strips on both sides of street	\$ 3,313.37	\$ 500.22		\$ 3,813.59
20	7	N. Monterey - Soundwall	1	Soundwall on North Monterey Road/Santa Teresa/South of Ferrell	\$ 4,733.63	\$ 500.22		\$ 5,233.85
21	16,17	Camino Arroyo Castro/Lower Median-Renz Median	1	A Camino Arroyo Medina Islands (One on Renz)	\$ 9,467.27	\$ 1,500.65		\$ 10,967.92
22	2	Ponderosa Soundwall	1	On East side of Santa Teresa south of 1st street	\$ 3,313.37	\$ 500.22		\$ 3,813.59
23	1	Ponderosa -Median	1	On Ponderosa-Large oak and cobblerstones	\$ 3,313.37	\$ 500.22		\$ 3,813.59
24	20	Princeville - Soundwall across from Gilroy High School	1	Liquid Amber Street Trees	\$ 4,733.63	No Irrigation		\$ 4,733.63
25	8	Pierce Street Island	1	Very small island Church and Pierce	\$ 3,313.37			\$ 3,313.37
26	17	Camino Arroyo Medians (2), South of 10th	1	Camino Arroyo Median (2) south of 10th Street	\$ 3,313.37	\$ 500.22		\$ 3,813.59
27	20	Monterey medians Between 10th and Lachasa	1	Oleander need to be pruned back every other year	\$ 4,733.63	No Irrigation		\$ 4,733.63
28	20	Monterey medians between 101 and Lachasa	1	Irrigation tied in with the Sports Park	\$ 3,313.37	\$ 500.22		\$ 3,813.59
29	5,6	Santa Teresa Streetscape (Areas 1,2,3 and 4)	1	Soundwalls and medians on Santa Teresa from 1st to Sundice	\$ 18,934.53	\$ 4,001.74		\$ 22,936.28
30	22,23	Thomas - Soundwall	1	Soundwall between Lachasa and Santa Teresa	\$ 3,313.37	\$ 500.22		\$ 3,813.59

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**Attachment B Landscape Maintenance Contract Fee Schedule Submittal
for City Wide Landscape Contract 18-RFP-PW-397 Revised October 30, 217**

31	25	School Trail (Solosano Middle School)	1	Trail from Ranch Site to Club Drive and on to Santa Teresa Bridge-Wood both sides of trail 24" from edge of path	\$ 4,733.63		\$ 4,733.63
32	32	Uvas Park Dr South (Both Sides of street) Miller Ave & 10th	1	Soundwalls & Post and cable arces on 10th/Uvas Park Drive to Wren and down Miller	\$ 3,313.37		\$ 3,313.37
33	1	Uvas Park Drive North/3rd Street	1	Soundwalls and along concrete fence line	\$ 3,313.37	No Irrigation	\$ 3,313.37
34	23	Village Trail/fence line around detention ponds, Riverview walkway	1	Fence line on North side of Luchessa between Village Trail and Village Place, along Village Place to Riverview and down Riverview. Pathway along Riverview until it dead ends at Village Place. Includes trail from Riverview to Luchessa at Thomas Roundabout	\$ 3,313.37		\$ 3,313.37
35	2	Village Grassy - SW	1	Santa Teresa (west side) from 3rd to Hecker Pass	\$ 3,313.37	\$ 500.22	\$ 3,813.59
36	33	Wren island	1	Median on Wren (large Valley Oaks) south of 1st Street	\$ 3,313.37	No Irrigation	\$ 3,313.37
	Aerial Map #	City of Gilroy - Contract Fee Schedule		Comments	Annual Maintenance Fee	Annual Irrigation Service Fee	Total Annual Fee
Civic Building/Areas							
37	18	Chambers Fire Station & HDQ (E 9th St.)	1	Olusider along back fence line included/along with small back landscaped area	\$ 2,412.00	\$ 500.57	\$ 2,912.58
38	27	Civic Center-7th & Church parking lot	4		\$ 4,824.01	No Irrigation	\$ 4,824.01
39	27	Civic Center-7th and Rosanna SW and NE Park Lot	4		\$ 6,431.25		\$ 6,431.25
40	27	Civic Center Old PD	4		\$ 6,431.25		\$ 6,431.25
41	27	Civic Center-6th Street Turf 7390 Dowdy St.	4		\$ 6,431.25	\$ 1,500.84	\$ 7,932.09
42	27	Civic Center- Dog Pound	4	Garbage Can	\$ 3,216.01	No Irrigation	\$ 3,216.01
43	27	Civic Center-Whisper Auditorium/250 W Sixth Street	4	Sixth and Church-Turf along Church	\$ 6,431.25	\$ 1,500.84	\$ 7,932.09
44	27	Civic Center-City Hall and Plaza 7351 Rosanna	4		\$ 6,431.25	\$ 1,001.15	\$ 7,432.39
45	27	Civic Center-New PD/Sunior Center-7301 Hanna Street	4		\$ 7,235.25	\$ 1,001.15	\$ 8,236.39
46	27	Civic Center- New Library-350 Sixth Street	4		\$ 6,431.25	\$ 1,001.15	\$ 7,432.39
47	26	Corp Yard Frontage (613 Old Gilroy St.)	1	Landscape along Old Gilroy and hedge inside employee parking lot	\$ 2,412.00	No Irrigation	\$ 2,412.00
48	9	Los Animas Fire Station	1	Includes landscape in backyard	\$ 2,412.00	\$ 250.72	\$ 2,662.73
49	12	Museum (195 5th St.)	3	Front yard only	\$ 2,412.00	\$ 500.57	\$ 2,912.58
50	28	Sunrise Fire Station/Sunrise Soundwall (889 Sunrise Dr.)	1	Includes landscape in backyard	\$ 2,412.00	\$ 250.72	\$ 2,662.73
51	12	Willey Historical House-140 Fifth Street	1		\$ 2,412.00	\$ 500.57	\$ 2,912.58

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11/16/2017



**Attachment B Landscape Maintenance Contract Fee Schedule Submittal
for City Wide Landscape Contract 18-RFP-PW-397 Revised October 30, 217**

Parks				Site Resident #1 Control	
52	26	Butcher Park (602 Old Gilroy Street)	3	Across from City Corporation Yard	\$ 10,962.86 \$ 1,801.28
53	31	Hecker Pass Wetland Park/SW corner of Santa Teresa/Hecker Pass (Future 2019-20)	3	Planning Stage-Approximately 0.75 acres, no turf, large patio/gathering spot. Will reduce size of Village Green Soundwall.	\$ 10,962.86 \$ 1,801.28 Not Included \$ 12,764.14
54	4	Carriage Hills and Trail (1701 Crest Hills Way)	3	Trail to be kept weed two feet from edge of trail. 2.94 total acres of park/1.14 acres of turf	\$ 13,702.69 \$ 2,001.42 \$ 15,704.11
55	25,32	CHP-Christmas Hill Park & Ranch Site (7049, 7050 Miller Ave)	7	Hillside and Creek not in contract-53.3 total acres-13.75 acres of turf	\$ 43,848.78 \$ 6,003.38 \$ 49,852.16
56	34	Cydney Casper Park (Future 2018)	3	Under construction on Charles Luzz-see plans-Total Landscaped area \$7,000 square feet/63,000 square feet of turf area.	\$ 13,702.69 \$ 2,001.42 \$ 15,704.11
57	6	Del Rey Park (9001 Calle Del Rey)	3	Shared with school district. The side walk in dividing line for turf. 3.7 total acres/1.4 acres of turf	\$ 10,962.86 \$ 1,801.28 Not Included \$ 12,764.14
58	25	El Roble Park (7550 Wynn Ave)	3	Park abuts School Turf. 3.5 total acres/1 acre of turf	\$ 10,962.86 \$ 1,801.28 Not Included \$ 12,764.14
59	7	Furrell Park	1	Under construction-Turf Only 3 acres of turf	\$ 16,443.40 \$ 3,001.69 \$ 19,445.09
60	13,14,18	Forest St. Park (7321 Forest Street)	3	0.8 total acres/0.26 acres of turf- No blowers to be used on this site.	\$ 10,962.86 \$ 1,801.28 Not Included \$ 12,764.14
61	35	Hecker Pass Park (Future 2018)	3	5.0 acre park and preserve areas. 1.2 acres of turf	\$ 10,962.86 \$ 2,001.42 \$ 12,964.28
61a	Map 1 City Wide	Phase 1 Heartland West Debut & Uvas Creek Linear Park-West of Hecker Park. Construction just completed. Contract Maintenance to start Late 2018-9	1	Just completed-See plan set- 129,896 square feet of Non-irrigated hydroseeded "Habitat" Mix plus planting.	\$ 13,702.69 \$ 2,001.42 \$ 15,704.11
		Phase 2 Heartland West Debut & Uvas Creek Linear Park-West of Phase 1. Construction to start late 2017. Contract Maintenance to start 2019-20		Not included in this submittal-For information only	
62	8	LAVP - Las Animas Veterans Park (350 Mantelli Drive)	7	Creek is not included. Contractor will do to top of bank. 30.12 total acres of park/18.25 acres of turf No blower use until after rain or near condos on Sunday.	\$ 44,918.78 \$ 6,003.38 \$ 50,922.16
63	6	Los Arroyos (801 Moro Drive)	3	2.5 acres of park/1.5 acres of turf	\$ 14,616.56 \$ 2,001.42 Not Included \$ 15,617.97
64	25	Miller Park (7931 Carmel Street)	7	4.19 total acres of park/4 acres of turf	\$ 29,232.23 \$ 4,001.56 Not Included \$ 33,234.19
65	5	Ralabow Park (980 Mantelli Drive)	3	2.22 total acres/1.05 acres of turf	\$ 13,702.69 \$ 2,001.42 Not Included \$ 15,704.11
66	29	Renz park (Humana and Oak Court)	3	0.64 total acres of park/0.16 acres of turf	\$ 10,962.86 \$ 1,801.28 Not Included \$ 12,764.14
67	15	San Ysidro Park (451 Lewis Street)	7	9.25 total acres of park/4.14 acres of turf	\$ 29,232.23 \$ 4,001.56 \$ 33,234.19
68	21	Sports Park (5925 Monterey Frontage Road)	7	6 acres of turf	\$ 29,232.23 \$ 4,001.56 \$ 33,234.19
69	4	Sunrise Park (9325 Suddler Drive)	3	7 total acres of park/3.38 acres of turf	\$ 16,443.40 \$ 2,001.42 Not Included \$ 18,444.82
70	1	Village Greene Park (SW Third and Santa Teresa)	1	No turf-preserved area to be mowed after wildflower bloom.	\$ 10,962.86 \$ 1,031.15 \$ 11,964.01



**Attachment B Landscape Maintenance Contract Fee Schedule Submittal
for City Wide Landscape Contract 18-RFP-PW-397 Revised October 30, 217**

Aerial Map #	City of Gilroy - Contract Fee Schedule	Comments	Annual Maintenance Fee	Annual Irrigation Service Fee	Supplemental Annual Rodent Control Services	Total Annual Fee
	Downtown (Map pages 11/12/13/19/20)	Downtown				Downtown
71	13 Art Center Turf (7347 Monterey St.)		\$ 11,254.49	\$ 1,500.84		\$12,755.33
72	11,12 4th St. - Monterey to Elginberry St.		\$ 11,254.49	\$ 1,001.15		\$12,255.63
73	11,12 5th St. - Monterey to Elginberry St.		\$ 11,254.49	\$ 1,001.15		\$12,255.63
74	11 West 5th Street and Parking Lot	5th street from Elginberry through parking lot to Alby Way	\$ 5,627.24	\$ 1,001.15		\$6,628.39
75	12 6th St. - Elginberry to Railroad Tracks	Including new planters on each Elginberry/6th street corner.	\$ 11,254.49	\$ 1,001.15		\$12,255.63
76	12,13,14 6th St. - Railroad tracks to Rogers Lane	Plaster Islands/Paver Areas	\$ 2,412.00	\$ 250.72		\$2,662.73
77	12 Elginberry St. Vacant Lot		\$ 5,627.24			\$5,627.24
78	13 Hamilton - Parking lot		\$ 5,627.24	No Irrigation		\$5,627.24
79	11 Lewis St. - Monterey to RR -Street Trees/Sidewalks		\$ 11,254.49	\$ 500.57	Not Included	\$11,755.06
80	11 Martin St. - Monterey to RR-Street Trees/Sidewalks		\$ 11,254.49	\$ 500.57		\$11,755.06
81	19,20 Monterey Rd 8-10 (medians only)		\$ 4,834.01	\$ 500.57		\$5,334.58
82	11,12,13 Monterey Streetcrops - 3rd to 6th St.	Include both sides of Monterey and the Medians, including hanging basket plant care and irrigation	\$ 11,254.49	\$ 500.57		\$11,755.06
83	12 Downtown Plaza	Consistent 3rd/6th Parking a lot to Monterey Street	\$ 5,627.24	\$ 250.72		\$5,877.97
84	11,12 Parking Lot Elginberry 4th/5th		\$ 5,627.24			\$5,627.24
85	12 Parking Lot Elginberry 5th/6th		\$ 5,627.24	No Irrigation		\$5,627.24
86	13 Vacant Art Center Lot 7th and Elginberry (7310 Elginberry St., 37, 47 West 7th Street)	Woods and Garbage-Public Garden was site to store wood chips	\$ 4,834.01			\$4,834.01
		Subtotal	\$ 753,228.63	\$ 88,899.23		\$842,087.86

	Supplemental "ON CALL" Services	City Estimated Annual Hours	Minimum Call Out Hours	Hourly Rate	Rodent Control	Total Annual Estimate
87	Supplemental Graffiti Crew 1 -Chemical Clean/ Paint	40 Hours	0	\$ 75.00		\$ 3,000.00
88	Supplemental Graffiti/Cleanup Crew 2 with Hot Water Pressure Washer	40 Hours	0	\$ 75.00		\$ 3,000.00
89	Supplemental Rodent Control/Visit	200 Hours	2	\$ 100.00		\$ 20,000.00
90	Supplemental Irrigation Repair Crew for on-site repairs	120 Hours	1	\$ 75.00		\$ 9,000.00
91	Sidewalk cleaning with self contained hot water unit	48 Hours		\$ 75.00	No Included	\$ 3,600.00
92	ET Based Water Management Reports	12 x	These reports are to be delivered to the city 5 days after city gives contractor meter reading for the month. This will include CPD files. Total of 12 reports	Per report -> \$ 1,500.00		\$ 18,000.00
93	Downtown Hanging Baskets	3x	Hanging Basket on Monterey between 4th and 6th/3 seasonal changes/Plant care & irrigation included in Downtown Maintenance Line #82. Contractor will be contracted when this will need to be done.	Per/Change out -> \$ 440.00		\$ 1,320.00
94	Supplemental Irrigation Repair Materials Allowance (fixed amount - do not change)	N/A	City reimbursements Estimated for Irrigation Materials/Supplies (Do not Change)	N/A		\$ 35,000.00
					Subtotal	\$82,920.00
	Annual Grand Total (Excluding Water Sites)				Annual Grand Total (Excluding Water Sites)	\$ 935,007.86

11/16/2017



**Attachment B Landscape Maintenance Contract Fee Schedule Submittal
for City Wide Landscape Contract 18-RFP-PW-397 Revised October 30, 217**

WATER FACILITIES			Estimated Crew Hours, per visit	Total for two sites visits/year	Amount Fee
Water Facilities ²					
Well 1-	7782 Montway St (at I.O.O.F Ave)		\$ 2.00	\$ 4.00	\$ 152.00
Well 2-	660 1st Street (at Princeton St.)		\$ 2.00	\$ 4.00	\$ 152.00
Well 3-2	7125 Forest Street (at Forest Park)		\$ 2.00	\$ 4.00	\$ 152.00
Well 4	695 9th St. (at Princeton St.)		\$ 2.00	\$ 4.00	\$ 152.00
Well 5-2	8195 Murray Ave (200 Ft South of Lowery)		\$ 2.00	\$ 4.00	\$ 152.00
Well 6	6152 Brun Lane (South end of Brun Lane)		\$ 2.00	\$ 4.00	\$ 152.00
Well 7	7820 Arroyo Circle (South end of Wal-Mart)		\$ 2.00	\$ 4.00	\$ 152.00
Well 8 & 8a	701 6th St (at Camino Arroyo)		\$ 2.00	\$ 4.00	\$ 152.00
Reservoir "A"	1521 Wilham Ave. (at Rancho Real Dr./ North side)		\$ 26.00	\$ 52.00	\$ 1,976.00
Reservoir "B" & "G" 1 & 2 & Booster 6	6301 Miller Ave. (Santa Theresa Blvd.)		\$ 45.00	\$ 90.00	\$ 3,420.00
Reservoir "C" 1 & "C" 2 & Booster 2	2116 Mantell Dr. (at Periwinkle Dr.)		\$ 14.00	\$ 28.00	\$ 1,064.00
Reservoir "D" 1 & "D" 2	2256 Periwinkle Dr. (South end)		\$ 12.00	\$ 24.00	\$ 912.00
Reservoir "E" 1 & "E" 2	7402 Hoysaka Ct.		\$ 8.00	\$ 16.00	\$ 608.00
Booster 1	1753 Rancho Hills Ct.		\$ 2.00	\$ 4.00	\$ 152.00
Booster 3	2145 Country Dr.		\$ 6.00	\$ 12.00	\$ 456.00
Booster 4	9257 Rancho Hill Dr.		\$ 6.00	\$ 12.00	\$ 456.00
Total Water Facilities					\$ 10,260.00

No Included

1. Supplemental rodent control per site based on service every other week.

2. Access to these locations are through locked gates. To access please call Water Dept., Dana Aldridge at (408) 846-0271 / Water Division Office, City Yard, 613 Old Gilroy Street CA 95020

3. Contractor to provide final estimate.

4. Annual Fee is for full service landscaping service call twice per year (spring & fall). Any additional work requested by city would be paid at hourly crew rate shown. Work will include weed cleanup, weed spraying and tree pruning from ground. Tree work that can't be done from the ground will be done at an extra cost.

5. Minimum Estimated for Call out

6. Irrigation for two sites only. Two visits per year, Spring and Fall. Check and repair.

Name of Contractor: JENSEN LANDSCAPE

Date: 11/16/17

Signature: Clint Christman

Printed Name: CLINT CHRISTMAN

Contractor acknowledges that the Contractor has made a personal inspection of each site and the surrounding areas and has evaluated the extent to which the physical condition thereof will affect the services to be provided.

RM RainMaster controller operate with remote controls

New Facilities

B-5

11/16/2017



City of Gilroy

STAFF REPORT

Agenda Item Title: **Proposed Tentative Map to divide 6955 Camino Arroyo into two parcels (within Gilroy Crossing commercial development), Application No. TM 22-05**

Meeting Date: February 27, 2023

From: Jimmy Forbis, City Administrator

Department: Community Development

Submitted By: Sharon Goei, Community Development Director

Prepared By: Kraig Tambornini, Senior Planner

STRATEGIC PLAN GOALS

Promote Economic Development Activities

RECOMMENDATION

Staff has analyzed the proposed project and recommends that the City Council take the following actions:

1. Determine that the proposed Tentative Map is exempt from further environmental review and qualifies for the State CEQA Guidelines Class 15 Exemption, Minor Land Divisions because the proposed subdivision results in less than four parcels, is in conformance with the City's General Plan and Zoning, seeks no exceptions or variances, and all services and access to the resulting parcels is available, based on its independent analysis; and
2. Adopt a resolution to approve the proposed tentative map to divide the property known as APN 841-70-045 into two separate parcels.

PROJECT DESCRIPTION

The applicant, Joseph Tichar, representing Joule Crossing Owner, LLC, is seeking approval of a Tentative Map Application, TM 22-05, that will subdivide an approximately 11.26 acre developed commercial lot into two parcels. Proposed parcel A would be 0.90 acres and contain an existing drive through restaurant and parking, and parcel B would be 10.36 acres containing multiple commercial buildings and parking. No new

construction is proposed and the lots both maintain frontage and shared access from Camino Arroyo.

BACKGROUND

Site and Surrounding Land Uses: The subject site is within the Gilroy Crossings shopping center located on the west side of Camino Arroyo and south of Hwy 152. The complex was approved as a commercial/industrial planned development (C3/M2/HC PUD) under City applications TM 02-06, Z 02-06, and PUD AS 02-22. The entire Planned Unit Development (PUD) area includes 75.5 acres with lots on both sides of Camino Arroyo. The original tract map was approved in April 2003 for 16 lots. In 2004 a revised parcel map was recorded for the area that includes the subject lots.

Gilroy Crossings contains approximately 258,419 square feet of commercial development. The lots on the east side of Camino Arroyo are currently vacant and would be developed as Phase II of the PUD. The building on proposed Parcel A is adjacent to the Shell Gas Station lot at the corner of Camino Arroyo and Pacheco Pass Hwy.

Environmental Determination: The proposed subdivision is exempt from further environmental review and qualifies for the State CEQA Guidelines Class 15 Exemption, Minor Land Divisions because the proposed subdivision results in less than four parcels, is in conformance with the City's General Plan and Zoning, seeks no exceptions or variances, and all services and access to the resulting parcels are available.

Planning Commission Recommendation: On January 19, 2023, the Planning Commission, by unanimous vote, recommended that the City Council approve the project.

ANALYSIS

General Plan: The site is designated for retail commercial land uses and the proposed lot split would have no material effect on the use of the site. There are no General Plan policies directly relevant to a commercial lot split. The project could be considered consistent with Goal EP 3 "Maintain a supportive business climate that increases the City's ability to support the expansion of existing businesses and attraction of new businesses" in that the lot split would provide separate ownership and financing options for Parcel A.

Zoning Consistency: The Gilroy Crossings PUD does not prohibit further subdivision of the lots, and there is no minimum lot size. The resulting lot would not create any substandard setbacks or parking conditions.

Tentative Map Consistency: The lot split is subject to review pursuant to State Subdivision Map Act and Gilroy City Code Chapter 21; which regulate the design of subdivisions and improvements to ensure orderly development is proposed. There are

specific findings that must be made to deny a tentative map, pursuant to Government Code Section 66474.

As noted, the parcel size would not conflict with PUD zoning. The property line creating the two separate lots will be located down an existing site access drive aisle from Camino Arroyo. The new building would maintain access, onsite parking, and street frontage as required by City codes. Reciprocal easements and agreements already apply to property within the complex, which would transfer to the new lot.

Site access and improvements will remain shared and mutually maintained by all property owners in the complex now and into the future. The minor lot split request does not trigger findings required for denial under Government Code Section 66474, has been conditioned appropriately, and does not warrant any new conditions related to the uses or construction of physical improvements.

ALTERNATIVES

The Council may deny the lot split. The applicant would not be able to proceed and could not pursue separate financing or the sale of the parcel. Staff does not recommend this action.

FISCAL IMPACT/FUNDING SOURCE

There is no fiscal impact associated with the adoption of the Resolution. The applicant has paid the fees associated with the application.

PUBLIC OUTREACH

Notices were provided in compliance with code requirements. The plans were routed to all departments and agencies with jurisdiction or interest over development. At least 10 days prior to the hearing notices were mailed to property owners within 300 feet of the site, published in the Gilroy Dispatch, and posted on-site. No comments have been received in response to the notice.

NEXT STEPS

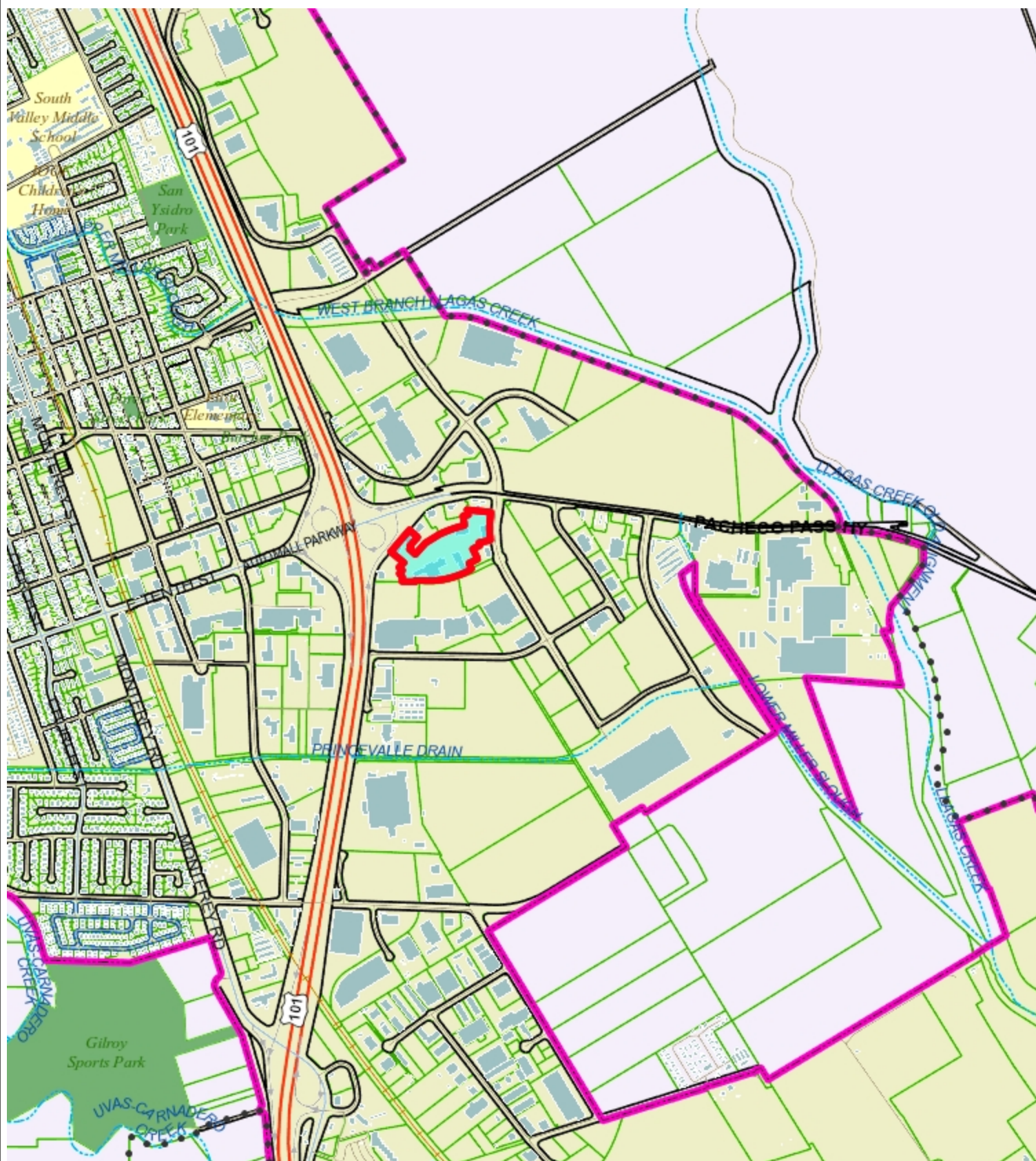
If approved, the applicant would process a final parcel map to subdivide the lot.

Attachments:

1. Vicinity Map
2. Parcel Map
3. Planning Commission Resolution
4. Draft City Council Resolution

City of Gilroy

Vicinity Map - TM 22-05



2,951.1 0 1,475.56 2,951.1 Feet

NAD_1983_StatePlane_California_III_FIPS_0403_Feet
City of Gilroy, GIS Services

1: 17,707

Note: Map is for reference purposes only.

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9.1



 PROPOSED PARCEL BOUNDARY LINE
 EXISTING PARCEL LINE
 SITE PROPERTY LINE
 SHOPPING CENTER BOUNDARY LINE
 EASEMENT LINE
 SETBACK LINE

OWNER/DEVELOPER:	SURVEYOR
ELAN SIPP-ELDMAN	BRETT CHAPPELL, PLS 7547
RAIDER HILL ADVISORS, INC.	CHAPPELL, GEOMATICS
757 THIRD AVENUE, 15TH FLOOR	147 NORTH 1ST AVENUE
NEW YORK, NY 10017	OAKDALE, CA 95361
ESIPP@ELDMAN@RAIDERHILL.COM	BRETT@CHAPPEGO.COM
(212) 223-9090	(209) 845-9694

JENNIFER KIRBY, P.E. 92530
KIMLEY-HORN AND ASSOCIATES, INC.
4637 CHABOT DRIVE, SUITE 350
PLEASANTON, CA 94588
JENNIFER.KIRBY@KIMLEY-HORN.COM
(669) 800-4168

1. SUBDIVISION NAME: FARALLON - GILROY CROSSING
TYPE OF SUBDIVISION: GENERAL SERVICES COMMERCIAL
ASSESSOR'S PARCEL NO.: 841-70-045
EXISTING LAND USE: RESTAURANT
PROPOSED LAND USE: RESTAURANT

2. COUNTY OF SANTA CLARA ASSESSOR MAPPING
BOOK: 770
PAGE: 1 & 2
PARCEL NUMBER: 841-70-045

THE BASIS OF BEARING FOR THIS SURVEY IS GRID NORTH PER CALIFORNIA COORDINATE SYSTEM, ZONE 3, CCS83, WHICH IS BASED OFF THE NORTHEASTERN LINE OF THE LOT 2 OF THE SUBJECT PROPERTY WHICH BEARS N00°52'33"E PER GPS COORDINATE OBSERVATIONS

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

PARCEL TWO:
ALL OF PARCEL 1 AS SAID PARCEL IS SHOWN UPON THAT MAP ENTITLED, "PARCEL 3 AS SHOWN
AND DESCRIBED ON "CERTIFICATE OF COMPLIANCE NO. 2003-10" FILED IN
DOCUMENT NO. 1752707," WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF
THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON MAY
12, 2004 IN BOOK 770 OF MAPS AT PAGES 1 AND 2.

ZONE: X
DESCRIPTION: 0.2% ANNUAL CHANCE FLOOD HAZARD, AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTH LESS THAN ONE FOOT OR WITH DRAINAGE AREAS OF LESS THAN ONE SQUARE MILE

MAP NUMBER: 06085C0643H
COMMUNITY: CITY OF GILROY
PANEL: 060340
NUMBER: 0643
SUFFIX: H
EFFECTIVE DATE: 05/18/2009
REVISION DATE: NONE



REQUIRED PARKING:
PER CITY OF GILROY MUNICIPAL CODE, CHAPTER 30.31, SECTION 30.31.25(A).

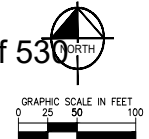
GROSS FLOOR AREA: 2,472 SF
PARKING RATIO: 1 SPACE PER 100 SF OF GROSS FLOOR AREA
2,472 SF * 1/100 = 25 PARKING SPACES REQUIRED

PARCEL A

TOTAL PARKING:	54 SPACES
STANDARD PARKING:	52 SPACES
ACCESSIBLE PARKING:	2 SPACES (0 STD, 2 VAN)
PARKING RATIO:	1 SPACE PER 46 SF GROSS FLOOR AREA

I, _____, CERTIFY THAT THIS TENTATIVE MAP WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT IT COMPLIES WITH THE CITY OF GILROY SUBDIVISION ORDINANCE AND THE STATE MAP ACT.

I, _____, A LICENSED LAND SURVEYOR IN THE STATE OF CALIFORNIA
HEREBY STATE THAT THIS TENTATIVE MAP IS BASED UPON SURVEY UNDER MY
DIRECT SUPERVISION AND THAT IT COMPLIES WITH CITY OF GILROW SUBDIVISION
ORDINANCE AND STATE MAP ACT.



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[illegible]

Kimley»Horn
4637 CHABOT DRIVE, SUITE 350, PLEASANTON, CA 94588
PHONE: 925-398-4840 FAX: 925-398-4849
WWW.KIMLEY-HORN.COM



197422005	DATE
09/08/2022	
SCALE	AS SHOWN
DESIGNED BY	CKC
DRAWN BY	CKC
CHECKED BY	JAK

GILROY CROSSING
6975 CAMINO ARROYO
GILROY, CA 95020

PROPOSED
TENTATIVE
PARCEL MAP

SHEET NUMBER
TM 1

RESOLUTION NO. 2023-01**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF GILROY RECOMMENDING TO THE CITY COUNCIL APPROVAL OF A TENTATIVE MAP TO SUBDIVIDE PROPERTY INTO TWO PARCELS, LOCATED AT 6955 CAMINO ARROYO, APN: 841-70-045 (FILE NUMBER TM 22-05)**

WHEREAS, On October 10, 2022 an application was filed by Joseph Tichar representing Joule Crossing Owner, LLC proposing the subdivision of a parcel at 6955 Camino Arroyo within the C3/HC/M2-PUD, Commercial/Industrial Planned Unit Overlay zone district; and

WHEREAS, the application submittal was accepted as complete on November 9, 2022; and

WHEREAS, the proposed subdivision qualifies as exempt from further environmental review and qualifies for the State CEQA Guidelines Class 15 Exemption, Minor Land Divisions, because the proposed subdivision results in less than four parcels, is in conformance with the City's General Plan and Zoning, seeks no exceptions or variances, and all services and access to the resulting parcels is available; and

WHEREAS, the Planning Commission held a duly noticed public meeting on January 19, 2023 at which time the Planning Commission received and considered the staff report as well as all evidence received including written and oral public testimony related to the project; and

WHEREAS, the City may deny a tentative map only if, based upon substantial evidence in the record, it makes one or more of seven listed findings for denial prescribed by Government Code Section 66474. Staff has reviewed the findings and concluded that project denial based on these findings would not be supported, and alternatively, that each of the seven findings may be made to support approval of the project; and

WHEREAS, the location and custodian of the documents or other materials which constitute the record of proceedings upon which the project approval is based is the Community Development Department, Planning Division.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Gilroy hereby finds as follows:

1. The proposed Tentative Map is consistent with the goals and policies of the City's General Plan and the General Services Commercial land use designation given that the commercial lot split would not require or result in any physical changes to the site use or improvements. Further, the site is not covered by a specific plan as specified in Government Code Section 65451.

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2. The design or improvement of the proposed subdivision is consistent with the applicable general plan given that the parcel split does not involve any changes to existing land uses, and the lot size, shape and location complies with the 2040 General Plan General Services Commercial land use designation.
3. The site is physically suitable for the type of development given that the property is already developed with commercial uses in compliance with all codes and standards, does not require any modified improvements or restrictions, does not have unique physical constraints, the size and geometry of the property comply with all applicable codes and ordinances, and there are no exceptions requested or proposed to the site development standards.
4. The site is physically suitable for the proposed density of development, given that the resulting lots would accommodate existing buildings and parking required for the sites after subdivision, consistent with the City Zoning Ordinance and the 2040 General Plan commercial land use designation.
5. The design of the proposed subdivision TM 22-05 or the proposed improvements will not cause substantial environmental damage or injure fish or wildlife or their habitat given that the site is already developed and would not require any new or modified improvements, and is not in or adjacent to any sensitive habitat areas. No significant environmental impacts would occur as a result of this project.
6. The design of the subdivision or type of improvements is not likely to cause serious public health problems given that public utilities and infrastructure improvements to serve the proposed parcels are currently in place as evidenced by the existing development on the site. Further, the project is consistent with the City's Zoning Ordinance, the City's Subdivision and Land Development Code, and the State Subdivision Map Act in that the proposed subdivision does not alter the existing uses or result in parcel or development condition that would conflict with City regulations.
7. The design of the proposed subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the governing body may approve a map if it finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to ones previously acquired by the public. This subsection shall apply only to easements of record or to easements established by the judgment of a court of competent jurisdiction and no authority is hereby granted to a legislative body to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision.
8. The project proposal qualifies for the State CEQA Guidelines Class 15 Exemption, Minor Land Divisions, because the proposed subdivision results in less than four parcels, is in conformance the City's General Plan and Zoning, seeks no exceptions or variances, and all services and access to the resulting parcels are available.

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NOW, THEREFORE, BE IT FURTHER RESOLVED that the Planning Commission of the City of Gilroy hereby recommends to the Gilroy City Council approval of Tentative Map Application No. TM 22-05, subject to the conditions attached hereto as Exhibit A.

PASSED AND ADOPTED this 19th day of January, 2023 the following roll call vote:

AYES: Bhandal, Kushner, Elle, Leongardt, Lewis, Ramirez, Montez

NOES:

ABSTAIN:

ABSENT:

ATTEST:

DocuSigned by:

493077E1C0A54C8...
Sharon Goei, Secretary

APPROVED:

DocuSigned by:

12B09BE03D88456...
Manny Bhandal, Chairperson

Resolution No. 2023-01

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EXHIBIT A

TENTATIVE MAP CONDITIONS OF APPROVAL GILROY CROSSING LOT SPLIT TM 22-05

PLANNING DIVISION CONDITIONS

The following GENERAL conditions authorize specific terms of the project

ENTITLEMENT(S).

1. **APPROVED PROJECT:** Tentative Parcel Map TM 22-05 approval is granted to subdivide 11.26 acres into two (2) commercial parcels as shown on the proposed map prepared by Kimley Horn, designated KHA project 197422005, with the title “Sheet TM 1, Gilroy Grossing, 6975 Camino Arroyo”, with preparation date 09/08/2022.

Any future adjustment or modification to the plans, including any changes made at time of building permit submittal, shall be considered by the Community Development Director or designee, may require separate discretionary approval, and shall conform to all City, State, and Federal requirements, including subsequent City Code requirements or policies adopted by City Council.

2. **COMPLIANCE WITH CONDITIONS:** If Developer, owner or tenant fails to comply with any of the conditions of this permit, the Developer, owner or tenant shall be subject to permit revocation or enforcement actions pursuant to the City Code. All costs associated with any such actions shall be the responsibility of Developer, owner or tenant.
3. **INDEMNIFICATION:** Developer agrees, as a condition of permit approval, at Developer’s own expense, to defend, indemnify, and hold harmless the City of Gilroy (“the City”) and its officers, contractors, consultants, attorneys, employees and agents from any and all claim(s), action(s) or proceeding(s) brought against the City or its officers, contractors, consultants, attorneys, employees, or agents to challenge, attack, set aside, void or annul the approval of this resolution or any condition attached thereto or any proceedings, acts or determinations taken, including actions taken under the California Environmental Quality Act of 1970, as amended, done or made prior to the approval of such resolution that were part of the approval process.

The following conditions shall be met prior to the approval of the FINAL MAP or PARCEL MAP, or other deadline as specified in the condition.

4. **TENTATIVE MAP:** An approved tentative parcel map, which shall expire twenty-four

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(24) months from the approval date, may be extended pursuant to the provisions of the Map Act.

5. **COVENANTS, CONDITIONS, AND RESTRICTIONS:** Any covenants, conditions, and restrictions (CC&Rs) applicable to the project property shall be consistent with the terms of this permit and the City Code. If there is a conflict between the CC&Rs and the City Code or this permit, the City Code or this permit shall prevail.

PUBLIC WORKS CONDITIONS OF APPROVAL

The following conditions shall be met prior to the approval of the FINAL MAP or PARCEL MAP, or if another deadline is specified in a condition, at that time.

6. **DRIVEWAY ACCESS EASEMENT:** The applicant or owner shall dedicate reciprocal driveway ingress and egress easements. Said easements shall be approved by both affected property owners. The easements shall be approved by the City Engineer, recorded with the County Recorder's Office, and a recorded copy of the document returned to the City prior to any City permits. The easement may also be designated on any associated parcel or subdivision map. *(PUBLIC WORKS)*
7. **PARCEL MAP:** It shall be the applicant's responsibility to have a parcel map, prepared by a person authorized to practice land surveying in California, delineating all parcels created or deleted and all changes in lot lines in conformance with the Gilroy Municipal Code. The parcel map shall be approved by the Department of Public Works and recorded with the County Recorder's Office prior to the issuance of any City permits. A parcel map guarantee shall be submitted to the City, by the applicant's title company, prior to release of the parcel map to the title company for recordation. Prior to the City's release of the parcel map to the title company, the applicant may, at the discretion of the City Engineer, be required to submit to the City an electronic copy of the map in the AutoCAD Version being used by the City at the time of recordation. It is the applicant's responsibility to check with their title company and the County Recorder's Office to determine the time necessary to have the map recorded after City approval. *(PUBLIC WORKS)*

RESOLUTION NO. 2023-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY TO APPROVE A TENTATIVE MAP TO SUBDIVIDE PROPERTY INTO TWO PARCELS, LOCATED AT 6955 CAMINO ARROYO, APN: 841-70-045 (FILE NUMBER TM 22-05)

WHEREAS, On October 10, 2022 an application was filed by Joseph Tichar representing Joule Crossing Owner, LLC proposing the subdivision of a parcel at 6955 Camino Arroyo within the C3/HC/M2-PUD, Commercial/Industrial Planned Unit Overlay zone district; and

WHEREAS, the application submittal was accepted as complete on November 9, 2022; and

WHEREAS, the proposed subdivision qualifies as exempt from further environmental review and qualifies for the State CEQA Guidelines Class 15 Exemption, Minor Land Divisions, because the proposed subdivision results in less than four parcels, is in conformance with the City's General Plan and Zoning, seeks no exceptions or variances, and all services and access to the resulting parcels is available; and

WHEREAS, the Planning Commission held a duly noticed public meeting on January 19, 2023 at which time the Planning Commission received and considered the staff report as well as all evidence received including written and oral public testimony related to the project and voted unanimously to recommend approval of the project; and

WHEREAS, the City may deny a tentative map only if, based upon substantial evidence in the record, it makes one or more of seven listed findings for denial prescribed by Government Code Section 66474. Staff has reviewed the findings and concluded that project denial based on these findings would not be supported, and alternatively, that each of the seven findings may be made to support approval of the project; and

WHEREAS, the City Council held a duly noticed public meeting on February 27, 2023 at which time the Council received and considered the staff report as well as all evidence received including written and oral public testimony related to the project; and

WHEREAS, the location and custodian of the documents or other materials which constitute the record of proceedings upon which the project approval is based is the Community Development Department, Planning Division.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Gilroy hereby finds as follows:

1. The proposed Tentative Map is consistent with the goals and policies of the City's General Plan and the General Services Commercial land use designation given that the commercial lot split would not require or result in any physical changes to the site use or improvements. Further, the site is not covered by a specific plan as specified in Government Code Section 65451.

2. The design or improvement of the proposed subdivision is consistent with the applicable general plan given that the parcel split does not involve any changes to existing land uses, and the lot size, shape and location complies with the 2040 General Plan General Services Commercial land use designation.
3. The site is physically suitable for the type of development given that the property is already developed with commercial uses in compliance with all codes and standards, does not require any modified improvements or restrictions, does not have unique physical constraints, the size and geometry of the property comply with all applicable codes and ordinances, and there are no exceptions requested or proposed to the site development standards.
4. The site is physically suitable for the proposed density of development, given that the resulting lots would accommodate existing buildings and parking required for the sites after subdivision, consistent with the City Zoning Ordinance and the 2040 General Plan commercial land use designation.
5. The design of the proposed subdivision TM 22-05 or the proposed improvements will not cause substantial environmental damage or injure fish or wildlife or their habitat given that the site is already developed and would not require any new or modified improvements, and is not in or adjacent to any sensitive habitat areas. No significant environmental impacts would occur as a result of this project.
6. The design of the subdivision or type of improvements is not likely to cause serious public health problems given that public utilities and infrastructure improvements to serve the proposed parcels are currently in place as evidenced by the existing development on the site. Further, the project is consistent with the City's Zoning Ordinance, the City's Subdivision and Land Development Code, and the State Subdivision Map Act in that the proposed subdivision does not alter the existing uses or result in parcel or development condition that would conflict with City regulations.
7. The design of the proposed subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the governing body may approve a map if it finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to ones previously acquired by the public. This subsection shall apply only to easements of record or to easements established by the judgment of a court of competent jurisdiction and no authority is hereby granted to a legislative body to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision.
8. The project proposal qualifies for the State CEQA Guidelines Class 15 Exemption, Minor Land Divisions, because the proposed subdivision results in

less than four parcels, is in conformance the City's General Plan and Zoning, seeks no exceptions or variances, and all services and access to the resulting parcels are available.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of Gilroy hereby approves Tentative Map Application No. TM 22-05, subject to the conditions attached hereto as Exhibit A.

PASSED AND ADOPTED this 27th day of February 2023 the following roll call vote:

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

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk

EXHIBIT A

TENTATIVE MAP CONDITIONS OF APPROVAL GILROY CROSSING LOT SPLIT TM 22-05

PLANNING DIVISION CONDITIONS

The following GENERAL conditions authorize specific terms of the project

ENTITLEMENT(S).

1. APPROVED PROJECT: Tentative Parcel Map TM 22-05 approval is granted to subdivide 11.26 acres into two (2) commercial parcels as shown on the proposed map prepared by Kimley Horn, designated KHA project 197422005, with the title "Sheet TM 1, Gilroy Crossing, 6975 Camino Arroyo", with preparation date 09/08/2022.

Any future adjustment or modification to the plans, including any changes made at time of building permit submittal, shall be considered by the Community Development Director or designee, may require separate discretionary approval, and shall conform to all City, State, and Federal requirements, including subsequent City Code requirements or policies adopted by City Council.

2. COMPLIANCE WITH CONDITIONS: If Developer, owner or tenant fails to comply with any of the conditions of this permit, the Developer, owner or tenant shall be subject to permit revocation or enforcement actions pursuant to the City Code. All costs associated with any such actions shall be the responsibility of Developer, owner or tenant.
3. INDEMNIFICATION: Developer agrees, as a condition of permit approval, at Developer's own expense, to defend, indemnify, and hold harmless the City of Gilroy ("the City") and its officers, contractors, consultants, attorneys, employees and agents from any and all claim(s), action(s) or proceeding(s) brought against the City or its officers, contractors, consultants, attorneys, employees, or agents to challenge, attack, set aside, void or annul the approval of this resolution or any condition attached thereto or any proceedings, acts or determinations taken, including actions taken under the California Environmental Quality Act of 1970, as amended, done or made prior to the approval of such resolution that were part of the approval process.

The following conditions shall be met prior to the approval of the FINAL MAP or PARCEL MAP, or other deadline as specified in the condition.

4. TENTATIVE MAP: An approved tentative parcel map, which shall expire twenty-

four (24) months from the approval date, may be extended pursuant to the provisions of the Map Act.

5. COVENANTS, CONDITIONS, AND RESTRICTIONS: Any covenants, conditions, and restrictions (CC&Rs) applicable to the project property shall be consistent with the terms of this permit and the City Code. If there is a conflict between the CC&Rs and the City Code or this permit, the City Code or this permit shall prevail.

PUBLIC WORKS CONDITIONS OF APPROVAL

The following conditions shall be met prior to the approval of the FINAL MAP or PARCEL MAP, or if another deadline is specified in a condition, at that time.

6. DRIVEWAY ACCESS EASEMENT: The applicant or owner shall dedicate reciprocal driveway ingress and egress easements. Said easements shall be approved by both affected property owners. The easements shall be approved by the City Engineer, recorded with the County Recorder's Office, and a recorded copy of the document returned to the City prior to any City permits. The easement may also be designated on any associated parcel or subdivision map. (PUBLIC WORKS)
7. PARCEL MAP: It shall be the applicant's responsibility to have a parcel map, prepared by a person authorized to practice land surveying in California, delineating all parcels created or deleted and all changes in lot lines in conformance with the Gilroy Municipal Code. The parcel map shall be approved by the Department of Public Works and recorded with the County Recorder's Office prior to the issuance of any City permits. A parcel map guarantee shall be submitted to the City, by the applicant's title company, prior to release of the parcel map to the title company for recordation. Prior to the City's release of the parcel map to the title company, the applicant may, at the discretion of the City Engineer, be required to submit to the City an electronic copy of the map in the AutoCAD Version being used by the City at the time of recordation. It is the applicant's responsibility to check with their title company and the County Recorder's Office to determine the time necessary to have the map recorded after City approval. (PUBLIC WORKS)



City of Gilroy

STAFF REPORT

Agenda Item Title: Renaming of the Gilroy Senior Center's Classroom One after Theodore "Ted" Carpenetti

Meeting Date: February 27, 2023

From: Jimmy Forbis, City Administrator

Department: Recreation

Submitted By: Adam Henig, Recreation Manager

Prepared By: Adam Henig, Recreation Manager

STRATEGIC PLAN GOALS

Maintain and Improve City Infrastructure

RECOMMENDATION

Staff recommends renaming the Gilroy Senior Center's Classroom One after Theodore "Ted" Carpenetti.

EXECUTIVE SUMMARY

The Gilroy Senior Advisory Board is requesting the City Council to rename Gilroy Senior Center's Classroom One after the late Theodore "Ted" Carpenetti, a longtime resident and member of the Senior Center. The Parks and Recreation Commission unanimously approved a recommendation to rename the room at their January 17, 2023 regular meeting.

BACKGROUND

In August 2022, relatives of Theodore "Ted" Carpenetti visited the Gilroy Senior Center to deliver a generous donation of \$4,000 on behalf of Mr. Carpenetti, who recently died at the age of 105 (1916-2022). Ted was an active participant of the Senior Center. He was well-known among fellow members of the Center. He was described by his peers as "warm, friendly, kind, and generous." Personable and joyous, he was known to always greet newcomers to the Senior Center and participated in many of the senior programs, especially if it involved dancing. Ted has made previous contributions to the Senior Center, most recently when he turned 100 years old. Ted has a deep connection

to Gilroy. A resident since the mid-1940s, following his service in the Navy during World War II, Ted and his wife, Elise, settled in Gilroy. Ted is a former City of Gilroy employee, having worked as the park maintenance manager. He was known as a fair and understanding supervisor to his employees and was dedicated to maintaining the City's parks.

The Senior Advisory Board is requesting that Classroom One be renamed the Ted Carpenetti Room. The renaming of the room would involve the purchase of a plaque and photograph to be hung inside the classroom. There will also be a sign attached to the room's exterior. The proposed name change was brought to the Parks and Recreation Commission on January 17, 2022 and the recommendation was unanimously approved (6-0).

ANALYSIS

According to the "Parks or Recreation Facilities Naming, Community and Memorial Contribution, and Gift and Sponsorship Policy," which was approved on May 19, 2014, the criteria to rename a facility after a person who has, or someone on their behalf, made a significant monetary contribution is based on one of the following characteristics (See Section IV. B, Gifts and Sponsorship Policy):

- Demonstrating the individual's good character
- Personal achievements
- Contributions to the community
- Or efforts towards the enrichment of the City

Based on the information cited in the Advisory Board's letter, the proposal to rename the Senior Center's Classroom One to the Ted Carpenetti Room fulfills the renaming criteria.

ALTERNATIVES

The City Council may chose not to rename Classroom One.

FISCAL IMPACT/FUNDING SOURCE

There is no fiscal impact. If approved, the donation made by Mr. Carpenetti will cover the costs of a modest room sign and a legacy plaque that will be hung inside the classroom.

PUBLIC OUTREACH

Not applicable.

NEXT STEPS

If approved, a sign and plaque will be ordered and placed in the Senior Center's Classroom One.

Attachments:

1. Gilroy Senior Advisory Board Letter to Rename Classroom One after Ted Carpenetti
2. 05-19-14 Parks & Recreation Commission Facility Naming Memorial Gifts and Sponsorship Policy

SENIOR ADVISORY BOARD

To: City of Gilroy Parks and Recreation Commission

From: Vince Sasso, Senior Advisory Board, President

Subject: Renaming of Gilroy Senior Center Classroom One

This past August, relatives of Theodore “Ted” Carpenetti visited the Gilroy Senior Center to deliver a generous donation of \$4,000 on behalf of Mr. Carpenetti, who recently died at the age of 105 (1916-2022).

Ted was an active participant of the Senior Center. He was well-known among fellow members of the Center. He was described by his peers as “warm, friendly, kind, and generous.” Personable and joyous, he was known to always greet newcomers to the Senior Center and participated in many of the senior programs, especially if it involved dancing. Ted has made previous contributions to the Senior Center, most recently when he turned 100 years old.

Ted has a deep connection to Gilroy. A resident since the mid-1940s, following his service in the Navy during World War II, Ted and his wife, Elise, settled in Gilroy. Ted is a former City of Gilroy employee, having worked as the park maintenance manager. He was known as a fair and understanding supervisor to his employees and was dedicated to maintaining the City’s parks. Even after retirement, Ted continued to put his skills to good use as a gardener.

Based on the “Parks or Recreation Facilities Naming, Community and Memorial Contribution, and Gift and Sponsorship Policy,” the Senior Advisory Board is requesting that Classroom One (formerly the Gift Shop) be renamed the **Ted Carpenetti Room**. Ted exemplified the policy’s criteria: an individual of good character who has had an impact—both personally and financially—that has enriched our community.

The renaming of the room would involve the purchase of a plaque and photograph to be hung inside the classroom. There will also be a sign attached to the exterior.

The sponsoring organization is the Gilroy Senior Advisory Board, whose primary purpose of the is to raise funds and partner with other community organizations and events to improve the welfare within the Gilroy Senior Center community.

Sincerely,

Vince Sasso

Vince Sasso, President, Gilroy Senior Advisory Board

CC: Sharon Holloway, Terrie Berry, Gilroy Senior Advisory Board

Barbara Lemal, Gilroy Senior Center Member

CITY OF GILROY

PARKS OR RECREATION FACILITIES NAMING, COMMUNITY AND MEMORIAL CONTRIBUTION, AND GIFT AND SPONSORSHIP POLICY

DEFINITIONS AND METHODS OF RECOGNITION

A) Definitions

- **Donations/gifts:** Funds, equipment, materials or services given to the City without expectation of a significant return or recognition.
- **Memorial:** A physical feature intended to honor a deceased person. The primary intent of a memorial is not to recognize social contributions, importance, or historic significance, though the person being memorialized may also have such significance. May take various forms such as:
 - Site furnishings, benches, trees, drinking fountains
 - Monuments
 - Donations of significant improvements i.e. a picnic area in memory of an individual
- **Recognitions, Tributes & Commemorations:** Requests to honor or commemorate significant community contributions. Naming or dedication of a facility or distinct feature of a facility after a person or an event is a typical form of recognition, i.e. DeBell-Uvas Preserve.
- **Corporate Sponsorship:** The temporary or permanent naming of a facility or feature of a facility in exchange for significant donations from a for-profit corporation or business.
- **Gifting Sponsorship:** The temporary or permanent naming of a facility or feature of a facility in exchange for significant donations from individuals, groups, families or non-profit organizations.
- **Historical Recognitions:** A recognition or tribute that honors a person, place or event of historical nature. This includes:
 - a. Identification of places that are registered or designated historical by the State of California;
 - b. Commemorating an event that changed or influenced the course of history, i.e. a battle;
 - c. Identification of places of local historic significant, though not registered or designated as historic by the State of California;
 - d. Recognition of historically significant individuals.

B) Methods of Recognizing Donations and Memorials

Commemorative Naming: A means of accomplishing memorial recognition, typically for the purpose of acknowledging extraordinary civic contributions and dedication.

- Naming of a park or recreation facility or building
- Naming of a distinct feature within a park or recreation or building (i.e. sports field, play area)

Sponsorship Naming: Naming a facility or feature after an individual, business, organization or corporation in recognition of major donor contributions. Typically the sponsorship is done for a specified time period, such as 10 years, after which, the facility will be eligible for re-naming.

Monuments: A physical structure that is erected as a memorial, recognition, or gift acknowledgement. Monuments are generally intended to be visible and obvious to draw the attention of visitors or passing individuals.

Plaques: Size is no larger than 1 sq. ft., is typically placed on an object, or placed on a concrete base flush with ground or elevated no more than 4" above ground. Plaques are intended to be inconspicuous and to blend in seamlessly with the surrounding environment. Plaques placed above ground on concrete or on other pedestals, or that are otherwise conspicuous are considered monuments.

I. FUND RAISING AND SPONSORSHIP AGREEMENT POLICY

The City may enter into agreements with non-profit organizations allowing the organization to solicit contributions towards construction and/or operations and maintenance of park or recreation facilities. The non-profit organization may propose to the City recognition of contributions through the naming of park or recreation facilities, or features of those facilities in honor of the organization, group or individual making the contribution. The non-profit organization soliciting the gift may assist in negotiating the terms of the gift and making recommendations to the Parks and Recreation Commission and the City Council on the terms of the gift agreement, consistent with Section IV of this policy, Gift and Sponsorship Policy. The City may also engage the assistance of City Task Forces or Commissions in fund raising efforts in accordance with Section IV Gift and Sponsorship Policy.

Corporate or gifting sponsors will be required to enter into a sponsorship agreement with the City establishing the terms of the gift including the amount of the gift, the facility or program being offered the gift, the use of the gift, and the duration of any naming rights associated with the gift. Funds given under the sponsorship agreement will be held in the manner defined in the agreement and in trust for the sole purpose outlined in the agreement.

II.) PARK OR RECREATION FACILITY NAMING POLICY

A) Naming, Renaming of Park or Recreation Facilities or Features

Overview

The use of names based upon distinguishing characteristics, location, or historical usage, is a long-standing practice for the official naming of public sites and facilities. At the national level, naming of federal sites is overseen by the U.S. Board on Geographic Names. Among the key factors considered by the Board is use of names based on established, historical, and local usage. Not surprisingly, many agencies have adopted policies that are generally similar to those of the Board on Geographic Names, and which give priority to names based on geography, location, historical usage, and distinguishing characteristics.

At the same time, it is recognized that individuals and community organizations periodically wish to honor individuals or groups by naming park or recreation assets after them. The policy outlined below was developed to accommodate the desire for commemorative naming, where warranted, while still supporting the primary community values.

Policy

- It is the policy of the City to name park or recreation facilities in a manner that will provide an easy and recognizable reference for the City's customers. Therefore, first priority in naming facilities shall be given to geographical location.
- The geographic location may be based on the identification of the facility with a specific place, neighborhood, major street, or regional area of the City.
- Facilities may also be named based on distinguishing, prominent, natural or geological features. This may be used in conjunction with a geographical location, for example, Three Rivers Peak.
- Names in common or historical usage have a secondary priority.
- Names that honor a person who has made a distinct and significant contribution to the City of Gilroy will be considered in accordance with Section I.B.) Commemorative Dedications and Names.
- Naming that is done in exchange for major contributions will be considered in accordance with Section IV, Gift and Sponsorship Policy.
- Conditions of property donation or deed shall be honored regarding name of facility, although a geographic or characteristic name is preferred.
- Names that are similar to existing park or recreation facilities or properties in the Gilroy area should be avoided in order to minimize confusion.
- Property type and intended use may be designated in the name.
- Park or recreation facilities named after an individual should include the geographic, natural, or geological features as part of the name, i.e. DeBell-Uvas Park Preserve

B) Commemorative Dedications and Names

Overview

The selection of commemorative names must be done in a manner that insures that there is broad based support for the naming and general acknowledgement that the contributions of the individual being honored are extraordinary, above and beyond the norm, and unique in quantity and quality of service. Extreme care and diligence must be exercised in the application of this policy to insure that the selection of honorees will withstand the test of time.

If the selection of individuals for commemorative naming or dedication is felt to be inconsistent or biased, then it could become a divisive force in the community and make future decisions on naming difficult and shrouded in controversy. It is the goal of this policy, therefore, to provide consistency in the evaluation of dedication and naming requests and to insure that this honor is bestowed to individuals in an equitable manner and based on common criteria. The dedication or commemorative naming of park or recreation facilities or features will be considered with the following guidelines:

Guidelines:

- Names or dedications that commemorate or may be construed to commemorate living persons will not be considered, except at the discretion of the City Council.
- The person being honored must be deceased at least one year before a commemorative dedication or naming proposal will be considered.
- The individual/organization must have demonstrated outstanding achievements, contributions to the community, and enrichment of the City. The contribution of the person being honored must have been uncompensated, extraordinary, significant, and unique, setting this individual apart from others who contributed to the community. This may be evident by documented history such as articles in newspapers recognizing the individual's contributions or previously received recognitions and awards.
- The person being honored by the dedication or naming should have had a direct and long term association with the feature or facility.
 - Early or long-time settler –20 or more years
 - Developer of the designated feature
 - Restorer or maintainer of the feature
 - Donor of the land to the City of Gilroy
 - Person who played a large part in protecting the land or feature for public benefit
 - Person who played a large part in providing community services through the feature or facility
- Contribution to the community was through our park or recreation system or programs.
- Contributions to the park or recreation system were sustained over a long period of time.

- The named resource is pertinent to, or representative of, the individual's contribution.
- The proposal to commemorate an individual should contain evidence of broad based local support for the proposed name and its application, such as letters, editorials, and petitions.
- The costs of plaques, monuments, and replacement of signs resulting from, or done in conjunction with the dedication or commemorative naming will be borne by the individual, group, or organization sponsoring the request

C) Procedure to Request Naming or Renaming or Commemorative Dedications of Park or Recreation Facilities

1. New Park or Recreation Facilities:

Naming of new parks or recreation facilities will be done through a community outreach process that provides opportunity for Gilroy's residents to provide suggestions and input. Citizens may suggest the commemorative naming of a new park through this process.

- a) Whenever possible, the naming of a new facility should occur in conjunction with the Master Plan process for that facility
- b) The City will publicize the naming opportunity broadly including posting on the Channel 17, the City's web page, and in local newspapers. The opportunity to name the facility will also be discussed during the community meetings for design of the facility.
- c) Nominations for names will be submitted to Community Services Director on the Park Naming Nomination form
- d) The Director and staff will review the nominations for compliance with the City's Park or Recreation Facility Naming Policy
- e) Nominations that are found to be in compliance with the Park or Recreation Facility Naming Policy will be forwarded to Park and Recreation Commission for review and recommendation
- f) The Parks and Recreation Commission will make a recommendation to Council based on their review of the nominations.
- g) The recommended name will be forwarded to the City Council for their review and consideration. This may be done in conjunction with the approval of the facility Master Plan. Approval, modification, or denial of the proposed name is within the sole discretion of the City Council.

2. Re-naming of Existing Facilities and Features for Commemorative purposes

- a) Applicant will complete the Commemorative Dedication and Names Application and submit to the Community Services Director.
- b) Application shall include documentation of contributions of the person being honored
- c) Application shall include letters of support, articles, and similar documents which demonstrate broad based community support for re-naming
- d) The Director and staff will review the Commemorative Dedication and Names Application and determine if complies with the City's Park or Recreation Facility Naming Policy.

- e) If the application is found to be consistent with the City's policy, it will be forwarded to the Parks and Recreation Commission for their review
- f) Applications that are determined by the Director to incomplete, without sufficient documentation, or otherwise inconsistent with the City's policy will be returned to the applicant with a letter explaining the reasons for rejection. The applicant may resubmit the name request with new or additional information that brings the request into compliance with the City's policy.
- g) The Community Services Director will submit the commemorative re-naming request to the Parks and Recreation Commission for their review.
- h) The Parks and Recreation Commission will make a recommendation to Council based on their review of the application.
- i) The recommended name will be forwarded to the City Council for their review and consideration.
- j) All decisions with respect to facility naming will be at the sole discretion of the City Council, which may choose not to grant any naming rights or recognitions for facility or feature of a facility. Approval, modification, or denial of the proposed name is within the sole discretion of the City Council.

III.) COMMUNITY AND MEMORIAL CONTRIBUTIONS POLICY

A) Community and Memorial Contributions

Overview

City parks are a scarce resource provided for active recreational use and passive enjoyment of natural beauty by the general public. Members of the public often wish to make contributions to the park system, sometimes as a memorial or tribute to deceased friends or relatives at, or in conjunction with a favorite park or recreational activity. The placement of donation plaques, memorials, monuments, or tributes to private individuals in City parks must be done in a manner that preserves a positive experience for the public in the park, and provides a net benefit to park users. The goal of this policy is to prevent proliferation of monuments, plaques and memorials that would eventually change the nature of the public's experience of these spaces, which should celebrate their natural beauty, and not evoke a funeral or cemetery like experience. It is the goal of this policy to establish a Community and Memorial contributions policy that benefits the general public.

Policy

- The installation of freestanding plaques, monuments and similar memorials is generally discouraged so as to preserve the character of the park or facility and maintain a positive experience for users.
- Contributions of trees, play equipment, and park furniture such as park benches will be recognized with a certificate from the Parks and Recreation Commission that will be provided to the donor, family or friends.
- Contributions of significant, complex or complete park or facility elements, such as a playground, plaza, classroom or ball field may be recognized with a plaque not to exceed 8"x10" placed so as to blend into the feature and not be conspicuous, and the wording approved by the City.
- Contributions or donations of land or other real estate will be recognized in the manner agreed upon in the deed.
- Placement of free standing memorials, or monuments, in parks will, be considered only when the individual memorialized or a contribution is of extraordinary stature, and the memorial or monument is exceptional in design. Additionally, the contributions of the person being honored must have had a direct relationship to the site of the monument. The dedication of Uvas-DeBell Park preserve to Dennis DeBell who contributed one million dollars to the acquisition of the preserve is a good example of an extraordinary contribution. The criteria outlined for commemorative naming shall be used in evaluating and accepting requests for free standing monuments.
- The City cannot guarantee the future condition of contributions, plaques or monuments. Replacement required by vandalism or other damage is the responsibility of the individual/group originally sponsoring the contribution, monument or plaque.
- The City reserves the right to remove any contribution, monument or plaque as a result of vandalism, graffiti or other damage.
- Contributions, plaques or monuments may need to be relocated to accommodate park improvements, or operational or maintenance needs at the City's discretion. If the relocation can be accomplished with minimal cost, the City will handle the relocation.

More extensive projects, such as reconstructing a monument will be the responsibility of the individual or group sponsoring the original monument.

- Any relocation will be done in a manner to preserve the original intent of the recognition to the greatest extent reasonably possible.
- The City retains the right to accept or reject any proposed contribution.
- Contributions where the donor request that a facility or feature be named in recognition of the donation are considered sponsorships and must follow Section IV) Gift and Sponsorship Policy.
- Complex, formal or significant memorials must address needs identified in the Parks and Recreation System Master Plan.
- If the complex, formal, or significant memorial donation is for a component or feature in a renovation or development already funded and planned by the City, and the applicant requests no other changes, modifications, special features, etc. The City will provide all technical drawings, specifications, etc. and will provide long-term maintenance of the item in accordance with current maintenance standards.

B) Procedures for Community and Memorial Contributions in City Park or Recreation Facilities

1) Simple Landscape Element, Park Fixture or Facility Fixture:

- a) Applicant will complete the Community Contribution Application and submit to the Community Services Director.
- b) A list of available contributions is provided in the City's Community Contribution Catalog.
- c) The Community Contribution Application will indicate the applicant's preferences for the item to be donated, the desired location of the item, and whether it is a Memorial or Community contribution.
- d) The Community Services Director will review the request and determine if the item and location are suitable. Factors that will be considered include impact on maintenance and operations, compliance with facility Master Plan, impact on park or facility use or circulation, potential for damage or vandalism, need for item, future plans for the park or facility, overall appropriateness.
- e) The Director may suggest alternate contributions or locations if it is determined that the applicant's request is not acceptable.
- f) Upon approval, applicant will provide the City with a check, cashier's check, or money order for the total cost of the contribution as specified in the Community Contribution Catalog.
- g) City will purchase and install the contribution and will provide the applicant with two weeks notice prior to the installation so that they may arrange to be present during the installation. Installations will occurring during normal weekday work hours
- h) The City does not warranty the survival of any plant material.

2) Donation of Complex, Formal or Significant Contributions (Playground, Ball Field, Fountain, Plaza etc.)

- a) Applicant will complete the Community and Memorial Contributions Application, as well as the Complex Contribution supplemental, which includes a project,

funding, and maintenance proposal, and submit them to the Community Services Director.

- b) A list of available complex contributions is also provided in the City's Community Contribution Catalog.
- c) The Community and Memorial Contributions Application will indicate the applicant's preferences for the item to be donated, the desired location of the item, and whether it is a Memorial or Community contribution.
- d) The Community Services Director will review the applicant's request and supplemental and determine if the contribution and location is suitable. Factors that will be considered include impact on maintenance and operations, compliance with facility master plan, impact on park or facility use or circulation, potential for damage or vandalism, need for item, future plans for the park or facility, overall appropriateness.
- e) The Director may suggest alternate contributions, locations or proposal options if it is determined that the applicant's request is not acceptable
- f) Upon the Director's review of the request and supplemental the Director will mail the applicant a letter indicating whether the proposal has found to be in accordance with this policy, and if not, any changes that might bring the proposal into compliance with the policy.
- g) Once a proposal is determined by the Director to be in compliance with this policy, the applicant will then be required to submit to the Director detailed project plan including technical documents which at a minimum will include the items listed below. Additional documents may be required depending on the proposal:
 - i) Schematic Design;
 - ii) Actual dimensions;
 - iii) Identification of colors and/or other special features;
 - iv) Detailed site plan showing existing and proposed site improvements;
 - v) Project timeline and budget;
 - vi) Funding source(s);
 - vii) Construction and maintenance agreement.
- h) The Director along with other City staff will review the drawings and documents to ensure that the project is appropriate for the selected facility, meets public facility design standards, has a reasonable budget and any outside agency approvals or permits that may be required
- i) Once approved by the Director, a final proposal will presented to the Parks & Recreation Commission by the applicant.
- j) Once approved by the Parks & Recreation Commission, it will be forwarded to the City Council for review and acceptance. Approval, modification, or denial of the proposed improvement is within the sole discretion of the City Council.
- k) If the project is not a component of a planned park or facility development or renovation project, applicant will be required to provide funding for all costs including construction, design, permits and fees, plans and specifications, and all other costs associated with the design and construction of the project.

IV.) GIFT AND SPONSORSHIP POLICY

A) Gift and Sponsorship

Overview

It is the intent of this policy to provide the opportunity for businesses, corporations, organizations or individuals to make contributions to park or recreation facilities and receive appropriate recognition for that contribution. Often this recognition is in the form of naming a facility or feature in a facility in recognition of the contribution. However, there is also a local demand for commemorative naming, which is the naming of facilities in honor of people or organizations that have made outstanding contributions to the community. The relative benefits and need to provide recognition of significant monetary contributions by naming facilities must be balanced with the need to provide opportunities for commemorative naming.

This policy sets forward guidelines for the allocation of naming rights to City park or recreation facilities or features and also for accepting and recognizing other good will contributions to these facilities.

Policy

- The City encourages the donations of funds, and/or involvement by civic organizations or groups to provide for the on-going maintenance, operations, and development of park or recreation facilities.
- The City will designate properties for which the naming rights may be offered including the suggested donation and the duration of the naming rights.
- Determinations on whether the naming rights will be made available for newly planned facilities will be made during the planning process for that facility.
- Facilities that have been given a commemorative name will not be available for naming rights.
- Naming rights to entire facilities for living individuals is discouraged.
- Naming rights carry no power of direction, or implied power of direction, to the City on matters of appointment of persons, City policy, or any other government process.
- Where park feature or building component is named, the name used should normally be the family name, or in the case of a corporate entity, the shortest name possible.
- Where the naming rights purchased are for a corporate entity or business, the naming rights will be limited to not longer than the life of the corporate entity.
- In the event of demolition or destruction of a structure, any naming rights will terminate.
- The City reserves the right to reject any sponsorship request.
- City Council reserves the right, as part of fund development, to make appropriate business arrangements in exchange for sponsorship of City facilities.
- The applicant must enter into a sponsorship agreement with the City.
- City Council reserves the right to terminate sponsorship agreements in accordance with the terms of the agreement which may include, but not be limited to, evidence of corruption, fraud, poor moral character, criminal activity, or other actions which would reflect poorly on the City.

B) Procedures for Gift and Sponsorship Policy

- 1) Applicant will complete the Gift and Sponsorship Application, and submit it to the Community Services Director.
- 2) Applicant must select from the list of available facilities for which sponsorship is available.
- 3) The Gift and Sponsorship Application will indicate the applicant's preference for the item to be named, the proposed name, and background information on the individual, corporation, or organization after which the facility is to be named.
- 4) Background information shall include the organization's purpose, mission, and community involvement supporting the sponsorship request. Background information for naming after an individual shall include information demonstrating the individual's good character, personal achievements, contributions to the community, or efforts towards the enrichment of the City.
- 5) The Community Services Director will review the applicant's request and determine if the application complies with the City's adopted policies.
- 6) The Director may suggest alternate facility or name construction.
- 7) Once approved by the Director, the Gift and Sponsorship Application will be presented to the Parks & Recreation Commission for their review and consideration.
- 8) If the Commission recommends approval of the application, the applicant will complete a sponsorship agreement with the City.
- 9) The Gift and Sponsorship application and agreement will be forwarded to the City Council for their review and consideration. Approval, modification, or denial of the proposed name is within the sole discretion of the City Council.



City of Gilroy

STAFF REPORT

Agenda Item Title: Adopt a Resolution Declaring Additional Gilroy Gardens Property as Surplus Pursuant to Government Code Section 54221; find that the Council's action in doing so is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3)

Meeting Date: February 27, 2023

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

Promote Economic Development Activities

RECOMMENDATION

Council adopt the resolution.

BACKGROUND

At the August 2, 2021 regular meeting, the City Council adopted Resolution No. 2021-38 which declared 342 acres of property near the Gilroy Gardens Family Theme Park (called the Gilroy Gardens Hillside Property) as surplus. The City then proceeded to issue the Notice of Availability to developers registered with the California Department of Housing and Community Development (HCD), pursuant to the Surplus Lands Act (SLA). The City received interest and proceeded through the negotiation process with the interested party, but ultimately no deal was closed. The City received its clearance from the SLA from HCD on March 14, 2022. The City can dispose of this property at its discretion, and has had discussions with parties interested in this property.

ANALYSIS

As the City has been working on the economic development initiative of the 536 acre site for recreational tourism, there have been some parties interested in the property,

but wish to negotiate for property in the 536 acre area that was not included in the original surplus designation. To proceed with that discussion, the City must first declare the remainder of the property as surplus, and then proceed with the SLA process. If no eligible party expresses interest during the SLA process, or if the City is unable to reach agreement on price and terms with interested parties, then after receiving clearance from HCD the City may entertain discussions on any additional land area proposed for negotiations.

Staff therefore proposes for Council to adopt the attached resolution which would declare the remaining portions of the full 536-acre property to be surplus. The remaining parcels are zoned Highway Commercial with a land use designation of Visitor Serving, with the exception of Parcel No. 810-18-013 which has both its land use designation and zoning listed as Open Space. The property is too remote, being adjacent to the western City limit, and the cost of developing the property to meet a governmental purpose for the City's own operations is not currently feasible, nor is there demand in the area for any standard municipal service delivery that requires the property to be utilized to address it.

Declaring the full 536 acres surplus allows the City to maximize its flexibility regarding the property, while at the same time being efficient by streamlining negotiations as they may progress without having to pause for additional SLA processing.

ALTERNATIVES

Council may reject or modify the declaration of surplus of the remaining portion of the Gilroy Gardens property. This is not recommended. By declaring the remaining portion to be surplus, the SLA process would not need to be conducted again for any of the property included, as the law stands today. This streamlines future options as any negotiations proceed.

FISCAL IMPACT/FUNDING SOURCE

The declaration of surplus provides limited fiscal impacts. There will be some minor postage and staff time for issuing the Notices of Availability and proceeding with the SLA process. These costs will be absorbed within existing appropriations. Any future actions regarding potential lease or sale of any land will have their fiscal impacts analyzed as part of that City Council agenda item.

CEQA ANALYSIS

The City Council's proposed action in adopting this resolution is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that declaring the Property surplus and directing staff to issue a written Notice of Availability will not have a foreseeable significant effect on the physical environment in that the City has not committed the Property to any particular use at this time. Predicting the impacts of any future use of the Property following its disposition by the City would be wholly

speculative, and none of the circumstances in CEQA Guidelines Section 15300.2 applies.

PUBLIC OUTREACH

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

NEXT STEPS

With Council approval of the resolution declaring the subject property as surplus, staff will initiate the required Notice of Availability to commence the SLA process.

Attachments:

1. Draft Resolution

RESOLUTION NO. 2023-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY DECLARING PURSUANT TO GOVERNMENT CODE SECTION 54221 THAT REAL PROPERTY OWNED BY THE CITY AT THE INTERSECTION OF CALIFORNIA HIGHWAY 152 AND BURCHELL ROAD IS “SURPLUS LAND” WITHIN THE MEANING OF THE SURPLUS LAND ACT, FINDING THAT SUCH DECLARATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND TAKING RELATED ACTIONS

WHEREAS, the City of Gilroy is the owner in fee simple of that certain real property comprising of approximately 194 acres, more or less, of land located near California Highway 152 and Burchell Road, Assessor’s Parcel Nos. 810-17-024, -026, -029, -030, -031, 810-19-007, -010, -011, a portion of 810-19-014, and a portion of 810-18-013; as depicted in Exhibit A, attached hereto and made a part hereof by this reference (the “Property”); and

WHEREAS, the property is currently zoned Highway Commercial with a land use designation of Visitor Serving, with the exception of Parcel 810-18-013 which has both a land use designation and zoning of Open Space. The property is currently used for a family theme park with adjacent undeveloped hillside terrain which is generally unusable in its current condition for any of the City’s current governmental operations; and

WHEREAS, under the Surplus Land Act, Government Code Section 54220, et. seq. (the “Act”), surplus land is land owned in fee simple by the City for which the City Council takes formal action in a regular public meeting declaring the land is surplus and not necessary for the City’s use; and

WHEREAS, prior to disposing of land that is not necessary for the City’s use, the City Council is required to declare that the land is either surplus land or exempt surplus land; and

WHEREAS, the Property is not currently being used by the City, and City staff has determined that it is not suitable for the City’s use; and

WHEREAS, the Property is not exempt surplus land in the that none of the circumstances stated in Government Code Section 54221(f) applies; and

WHEREAS, the City Council desires to declare the Property surplus land and not necessary for the City’s use, due to the nature of the terrain as mentioned above, and the high cost for placing city facilities or infrastructure at the location, at the extreme end of the City’s current limits; and

WHEREAS, the Act requires that before the City Council disposes of the Property or engages in negotiations to dispose of it, the City shall send a written Notice of Availability of the Property to certain designated parties; and

WHEREAS, the accompanying staff report provides supporting information upon which the declaration and findings set forth herein are based; and

WHEREAS, the City Council's action in adopting this resolution is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that declaring the Property surplus and directing staff to issue a written Notice of Availability will not have a foreseeable significant effect on the physical environment in that the City has not committed the Property to any particular use at this time, predicting the impacts of any future use of the Property following its disposition by the City would be wholly speculative, and none of the circumstances in CEQA Guidelines Section 15300.2 applies.

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

1. That the City Council finds that the foregoing recitals are true and correct.
2. That the City Council hereby declares that the Property is surplus and not necessary for the City's use.
3. That the City Clerk is hereby directed to send a Notice of Availability to the entities designated in Government Code Section 54222. The Notice of Availability shall be sent in a manner set forth in Section 201 of HCD's Surplus Land Act Guidelines.
4. That the officers and staff of the City are authorized hereby to do all things necessary or proper to effectuate the purposes of this Resolution, and that any such actions previously taken are hereby ratified and confirmed.

PASSED AND ADOPTED this 27th day of February, 2023, by the following vote:

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

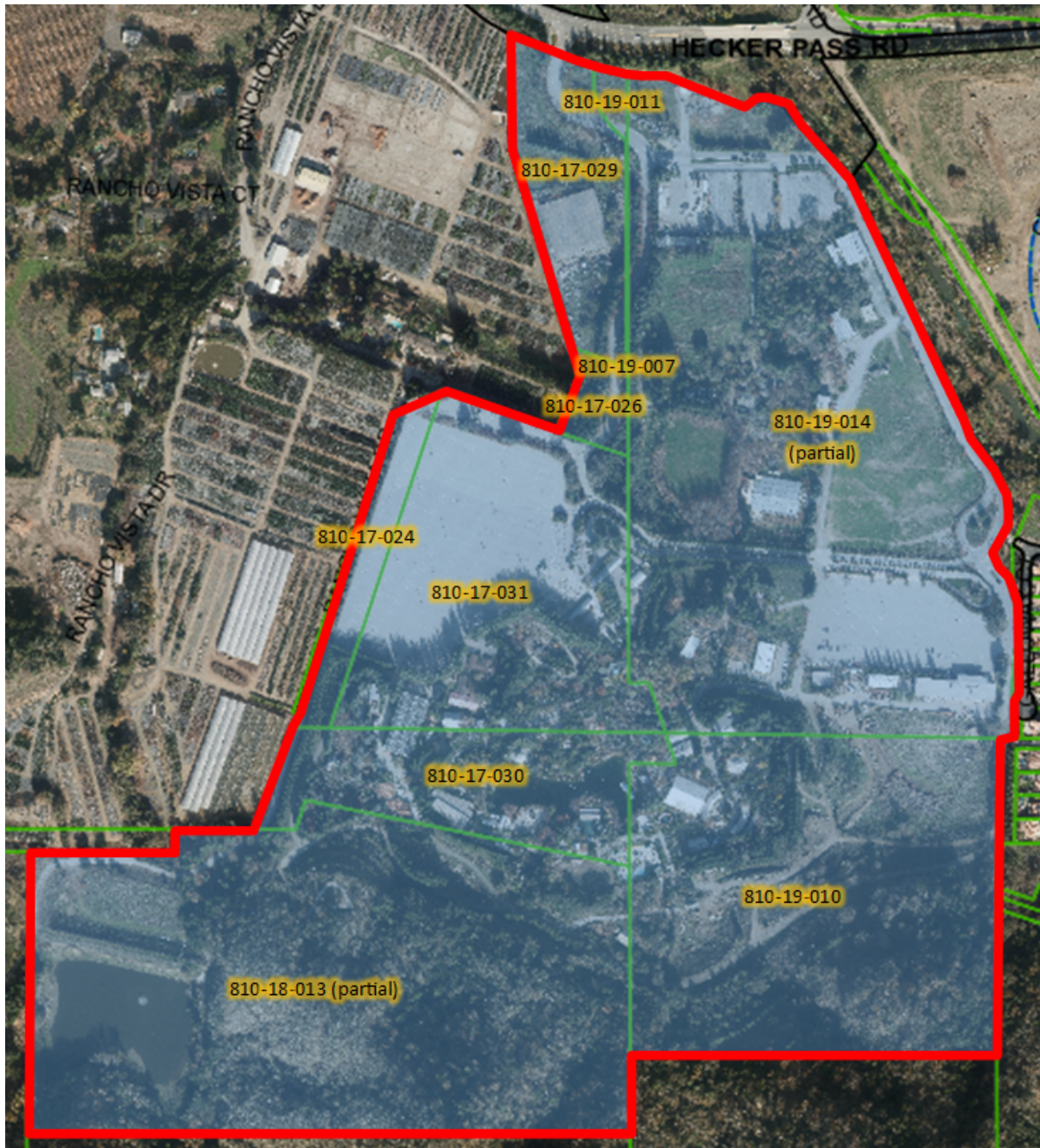
APPROVED:

Marie Blankley, Mayor

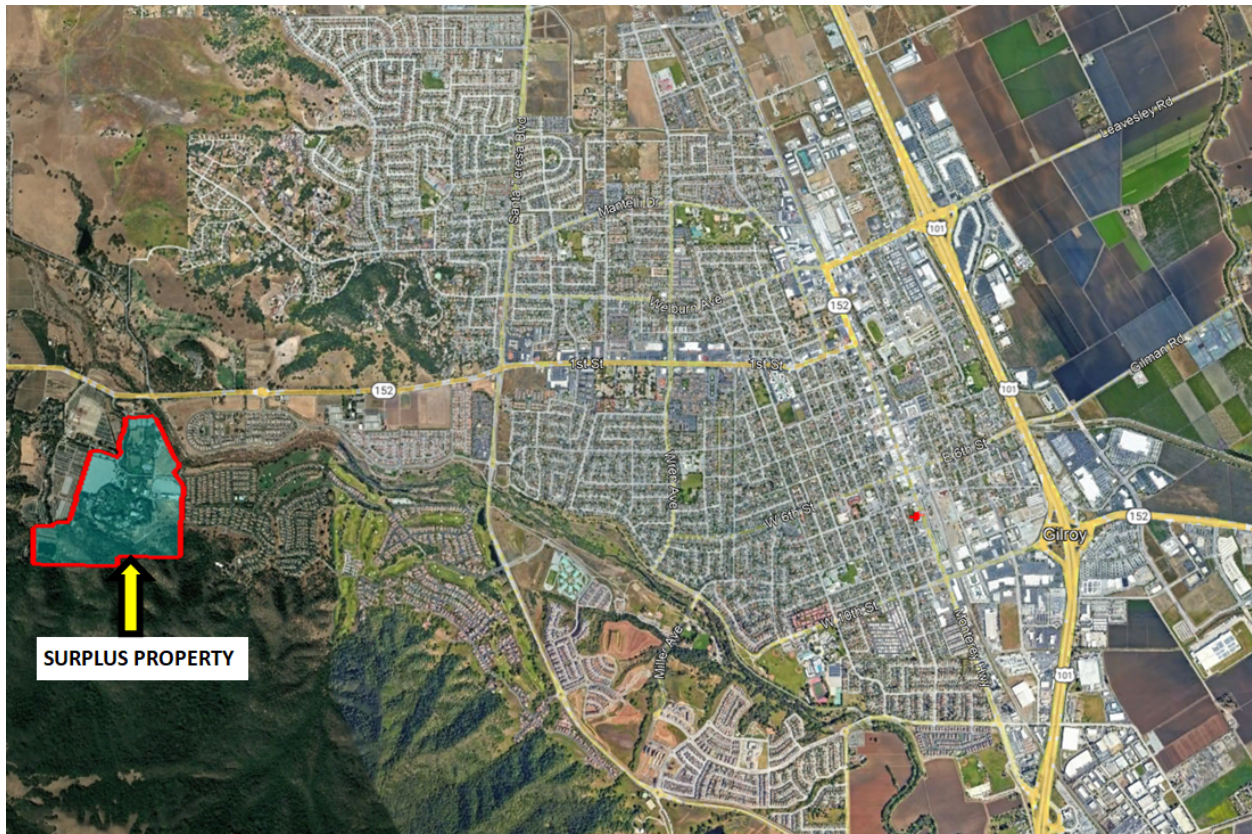
ATTEST:

Thai Nam Pham, City Clerk

EXHIBIT A
DEPICTION OF THE PROPERTY



Resolution No. 2023-XX
Surplus Land Act – Gilroy Gardens Remaining Property
City Council Regular Meeting | February 27, 2023
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City of Gilroy

STAFF REPORT

Agenda Item Title: **Accept the Annual Comprehensive Financial Report for Fiscal Year-Ended June 30, 2022**

Meeting Date: February 27, 2023

From: Jimmy Forbis, City Administrator

Department: Finance

Submitted By: Harjot Sangha, Finance Director

Prepared By: Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS

Develop a Financially Resilient Organization

RECOMMENDATION

Accept and file the report.

EXECUTIVE SUMMARY

Accept and file the audited Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022 (FY22).

ANALYSIS

Following the close of each fiscal year on June 30th, the City's external auditors conduct an audit of the City's financial records and assist in the compilation of the ACFR.

The objective of external financial reporting is to ensure accountability. The goal of a financial statement audit is to provide users with reasonable assurance from an independent auditor that the information presented in the statements is reliable. The audit for the fiscal year ended June 30, 2022 was recently completed by The Pun Group, LLP (Auditor), Certified Public Accountants.

In conjunction with the annual audit, the City prepares the ACFR to comply with the requirements to receive the Certificate of Achievement for Excellence in Financial

Reporting administered by the Government Finance Officers Association (GFOA). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standard for preparation of state and local government financial reports. The City's ACFR has received this award for the previous eight fiscal years, most recently for FY21, and believe the current report (FY22) continues to conform to GFOA's highest standard.

As a result of their annual independent audit of the City's financial records and statements, the Auditor has rendered an unmodified ("clean") opinion, the optimal opinion issued by independent auditors, on the City's financial statements for the fiscal year ended June 30, 2022.

A detailed analysis of the City's financial position as of June 30, 2022, is included in the Management Discussion and Analysis (MD&A) in the ACFR attached to this staff report (Attachment 1). In accordance with Government Auditing Standards, the auditors also identify any deficiencies in internal control over financial reporting and provide recommendations to City management on correcting these deficiencies. No such deficiencies in internal controls were identified during the FY22 audit.

Summary of highlights are as follows:

- Citywide: The City's overall net position increased by \$26.1 million from prior fiscal year (FY21) primarily a result of higher than expected tax revenues and capital contributions in the form of developer impact fees to various development funds.

General Fund:

- Revenues: The general fund actual revenues, excluding transfers, of \$73.9 million were \$17.4 million more than the prior year primarily in the areas of tax revenues, and intergovernmental grants to include the one-time American Rescue Plan Act (ARPA) monies.
- Expenditures: The general fund actual expenditures of \$55.7 million were \$4.7 million more than the prior year. From a budgetary perspective, during the fiscal year, the actual expenditures were \$2.1 million less than the amended budget, a result of operational savings and underspending in capital outlay.
- Fund Balance: The fund balance (ACFR purposes) in the general fund increased by \$18.3 million to \$37.9 million from the prior year.

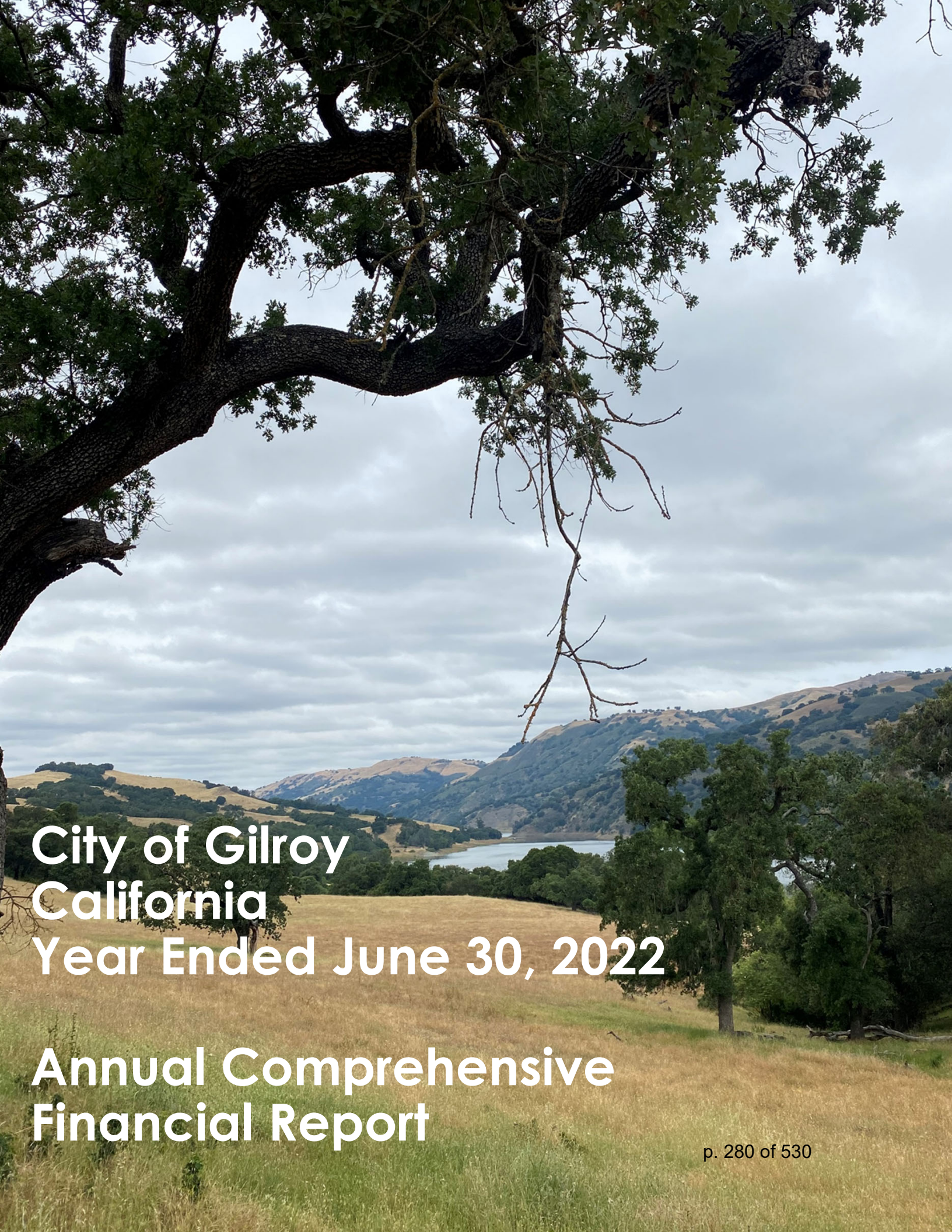
FISCAL IMPACT/FUNDING SOURCE

There are no direct fiscal impacts to receiving and filing the ACFR. The audit provides Council and other stakeholders with the assurance that the City is meeting its obligation for producing financial reports that are presented fairly and accurately. Annual financial audit is part of the Finance Department's annual workplan, thus the resources and costs

associated with the audit and preparation of the report are included in the adopted budget.

Attachments:

1. Annual Comprehensive Financial Report as of June 30, 2022.



**City of Gilroy
California
Year Ended June 30, 2022**

**Annual Comprehensive
Financial Report**

City of Gilroy

Gilroy, California

Annual Comprehensive Financial Report and Independent Auditors' Reports

For the Year Ended June 30, 2022

Prepared by Finance Department

Harjot Sangha, Director of Finance Department
Rosemary Guerrero, Finance Manager

INTRODUCTORY SECTION

CITY OF

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CALIFORNIA

A community with a spice for life

City of Gilroy
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

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7351 Rosanna Street
Gilroy, CA 95020

Telephone (408) 846-0202
Facsimile (408) 846-0500
<http://www.ci.gilroy.ca.us>

February 16, 2023

To the Honorable Mayor, Members of the City Council, and Citizens of Gilroy:

The City of Gilroy's (City) Charter requires that the City publish a complete set of audited financial statements for each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2022. This Annual Comprehensive Financial Report (ACFR) is submitted for your information and review. The information contained herein has been provided to allow the reader to gain an understanding of Gilroy's financial activities. Management assumes full responsibility for the completeness and reliability of the information contained in this report. The Management Discussion and Analysis (MD&A) is included to assist the reader in its review of the City's financial statements. It provides a roadmap for the financial statements and related notes.

To provide a reasonable basis for making these representations, management of the City has established a comprehensive framework of internal controls that is designed to both protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatements. Management is committed to maintaining the City's internal controls to adequately safeguard assets; and to provide reasonable assurances of proper recording of financial transactions.

The Pun Group LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on Gilroy's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the beginning of the financial section of this report. The MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements.

Profile of the government

The City is the southernmost city in Santa Clara County, and is located approximately 25 miles south of San Jose and approximately 75 miles south of San Francisco. Gilroy sits at the crossing of U.S. Highway 101 and State Highway 152. The City was first incorporated in 1870 and became a charter city on January 8, 1960. Per the California Department of Finance's annual demographic's report for 2022, as of January 1, 2022, the City had a population estimate of 59,269.

Situated between the Diablo and Santa Cruz mountains in the Santa Clara Valley, the City experiences mild temperatures, while missing most of the coastal fog. The agricultural growing season ranges from 300 to 350 days a year. Over the past few decades, the City has been transitioning from an agricultural economy into a light-industrial and services-based economy.

The City operates under the Council Administrator form of government. The seven City Council members, including the Mayor, are elected-at-large to four-year terms in alternate slates of three elected every two years, and the Mayor being elected every four years. The City Council appoints the City Administrator who heads the executive branch of the government, implements City Council directives and policies, and manages the administrative and operational functions through the department directors. The City Administrator appoints the department directors with the exception of the City Clerk and the City Attorney, which are appointed by the City Council.

The budget of the City is a detailed operating and capital improvement plan that identifies estimated costs and activities as related to estimated revenues. The City Administrator submits to the City Council a proposed biennial budget for all funds and the Council then proceeds to make any changes to the proposed budget it deems necessary. Before adopting the proposed budget, the Council holds a public hearing. After the conclusion of the public hearing the Council may make further revisions to the proposed budget. Thereafter the Council adopts the budget with revisions, if any. Once adopted, the City Council may make further changes to the adopted budget via budget amendments that are adopted by a resolution. In addition to the primary government, the City also reports on a Component Unit which is the South County Regional Wastewater Authority, a joint powers agreement between the City of Gilroy and the City of Morgan Hill, for the sewer treatment plant.

The City provides municipal services including public safety (police and fire), community and economic development, recreation activities, parks and street maintenance, water and sewer utilities and general City administration. Some City operations are supplemented with service contracts, such as legal services and infrastructure maintenance services. Natural gas and electricity are provided by Pacific Gas and Electric Company. Water service is provided by the City. Wastewater is collected and treated by the South County Regional Wastewater Authority. Recycling and solid waste disposal services are provided in the city by Recology South Valley.

The City is committed to citizen participation to evaluate and enhance its services. This is achieved via direct community engagement, and via the City Council's advisory boards and commissions.

Economic Setting and Outlook

Gilroy's economy has been dominated by agriculture and its related industries (food processing, etc.) since the 1800s. However, the growing influence of Silicon Valley and regional population growth have resulted in significant changes in the local economy during the past twenty years. The economic boom in Silicon Valley which began in the early 1990s had profound impacts on the local economy, resulting in significant increases in home prices and land values as well as significant decreases in local unemployment. The Covid-19 pandemic fueled a crisis in the housing market, sending demand and prices for homes soaring to all-time highs in an already supply tight market. Gilroy benefitted economically from this trend.

Today, Gilroy's economy is diversified into non-agricultural commercial and industrial activities such as light manufacturing, wholesale operations, automobile sales, and large retail centers. The Gilroy Outlets, Auto Mall area, and retail developments east of Highway 101 have put the City on the map as a regional retail destination and helped strengthen the City's tax revenues. Manufacturing and wholesale/distribution operations take advantage of Gilroy's proximity to Silicon Valley and easy access to Highway 152, leading to Interstate 5 and the Central Valley.

Overall, the City's economic outlook is projected to remain stable in the near-term. The General Fund is the most discretionary funding source and the one that funds the majority of the City's public services. The General Fund's major revenue source is taxes including sales, property, utility, and transient occupancy taxes. Sales tax is the largest single source and is very volatile as it relies directly on consumers discretionary spending. Sales tax revenue rebounded quickly in the last two years as the pandemic related measures were lifted and economic activity resumed. The largest categories of sales tax producers comprise general retail, transportation, state and county pool, and food products.

In March 2021, the federal government passed the American Rescue Plan Act (ARPA), an economic relief package, which provided direct stimulus payments, extended unemployment benefits, continued eviction moratorium, increased tax credits, and provided funding for local governments to compensate for lost revenues, amongst various other things. The City received \$10.9 million via two tranches over the last two years. This funding helped stabilize the City's finances and allowed it to restore positions and services which were previously eliminated or halted in response to the negative impacts brought on by the pandemic. The fiscal and monetary responses to the pandemic by the federal government over the last several years have overstimulated the economy, which has caused higher inflation. In response, the Federal Reserve has adjusted its monetary policy to raise federal fund interest rates to curb the high inflation. Such actions have some economists forecasting the US economy to slip into a recession in 2023. For the City, the ongoing causes of concern include inflation, the federal reserve's ongoing tightening monetary policy by hiking federal fund interest rates, and overall volatility in the markets that could have further slowdown in economic activity, which could impact revenue sources and pension costs.

The City's General Fund's primary expenditure is related to personnel. In 2022, the City Council approved various multi-year labor contracts which help provide stability for the employees and the organization overall and help to project and budget for the planned increases. In addition, during FY22, the City updated its citywide user fee schedule to ensure it can recoup the costs of providing certain services. The adopted fee schedule includes a mechanism to allow for the City to adjust the fees annually based on a consumer price index to ensure continued focus on cost recovery. The City does expect an overall slowdown in the economy, and a slower growth to its sales tax revenue source.

Per the California Association of Realtor's 2023 housing market forecast, the median home price in the State is expected to decline 8.8% during the year, mortgage rates are expected to remain elevated, and the higher rates are expected to reduce the purchasing power of many buyers. As such, housing demand and home prices are expected to soften during the year. At this time, there is no major negative impact expected to the City's property tax revenue, as the property tax revenue is based on annual assessed values and not the annual fair market value.

While most of property tax is expected to remain stable into the coming fiscal year, some elements of property tax revenues, such as documentary transfer tax and supplemental tax, resulting from property turnover and remodeling improvements, are likely to decline compared to immediate prior years.

As previously mentioned, the City also provides water and wastewater utility to its residents. The utilities are funded by rates assessed as charges for services to the customers. The current rates were instituted in 2019. The City is currently undergoing a rate study for both utilities and expects to have new rate adjustments instituted by second half of 2023.

Fiscal Year 2022 (FY22) Financial Results

The City ended FY22 with an operating gain, resulting in a change in net position of \$26.1 million.

In the General Fund, the revenues for FY22 were \$12.3 million higher than budgeted, primarily due to higher property, sales and utility user taxes, and one-time ARPA funding. Additionally, expenditures were \$2.1 million lower than budgeted primarily due to operational savings. The revenues exceeded the expenditures by \$17.5 million, before transfers (\$1.0 million), resulting in a net increase in fund balance for the General Fund of \$18.5 million.

Revitalization and Capital Improvements

Commercial development in certain corridors in Gilroy has added millions of square feet of retail and professional services space to the City. Downtown revitalization efforts have helped attract new businesses to the area, has retained existing businesses, and created a core area of antique stores, specialty shops, and restaurants. Restored historic buildings also add to the downtown's character, including the Old City Hall and the Train Depot. However, some vacant storefronts persist, and the City is focusing additional efforts at revitalizing these spaces by offering economic incentives to the property and the business owners. During FY22, the City was awarded a \$3.9 million grant for downtown beautification to include renovation of two pedestrian alleys, Gourmet Alley and Railroad Street, and for litter abatement related programs. In addition, the City has invested \$2.3 million to construct a Downtown Gourmet Parking Lot with 140 surface parking spaces, which includes electric vehicle charging infrastructure, lighting, landscaping, and various bicycle and pedestrian amenities to connect to the aforementioned pedestrian alleys. The City also adopted 5-year streets repair program which invests \$3.9 million annually for street rehabilitation and maintenance projects across the city and is expected to increase the City's pavement condition index (PCI) value.

The City's capital improvement plan (CIP) is adopted every other year which provides a 5-year window of projects to be completed within the CIP horizon. The primary source of funding is capital project funds - which derive revenues in form of development impact fees, and special revenue funds – which derive revenues in form of intergovernmental grants and tax-sharing allocations such as gas taxes.

Long-term financial planning

The City's general fund balance as of June 30, 2022 was \$38.2 million. The City Council adopted a general fund reserve policy of retaining a general fund reserve equal to 20% of annual general fund expenditures.

The policy also adopted a separate economic stability reserve that is used only for limited purposes, at 10% of general fund expenditures. The City prepares a five-year forecast for the fund, which projects the operating revenues and expenditures. The current forecast projects the City to maintain both reserve requirements and remain structurally balanced. The forecast projections include the anticipated increases in retirement costs over the period due to recent changes in actuarial assumptions and underperformance of the pension system's investment assets. The City Council plans to utilize the accumulated fund balance for strategic one-time investments, such as additional contributions to the street maintenance program.

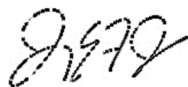
Award and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gilroy for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the eighteenth consecutive year that the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our FY22 ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we are submitting the FY22 ACFR to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, diligence, and commitment of the entire staff of the Finance Department, and specifically Finance Manager Rosemary Guerrero. We wish to thank all departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and the City Council for their continuing support for maintaining the highest standards of professionalism in the management of Gilroy's finances and prioritizing the goal of financial sustainability.

Respectfully submitted,



Jimmy Forbis
City Administrator

**City of Gilroy
Elected Officials & City Staff
As of June 30, 2022**

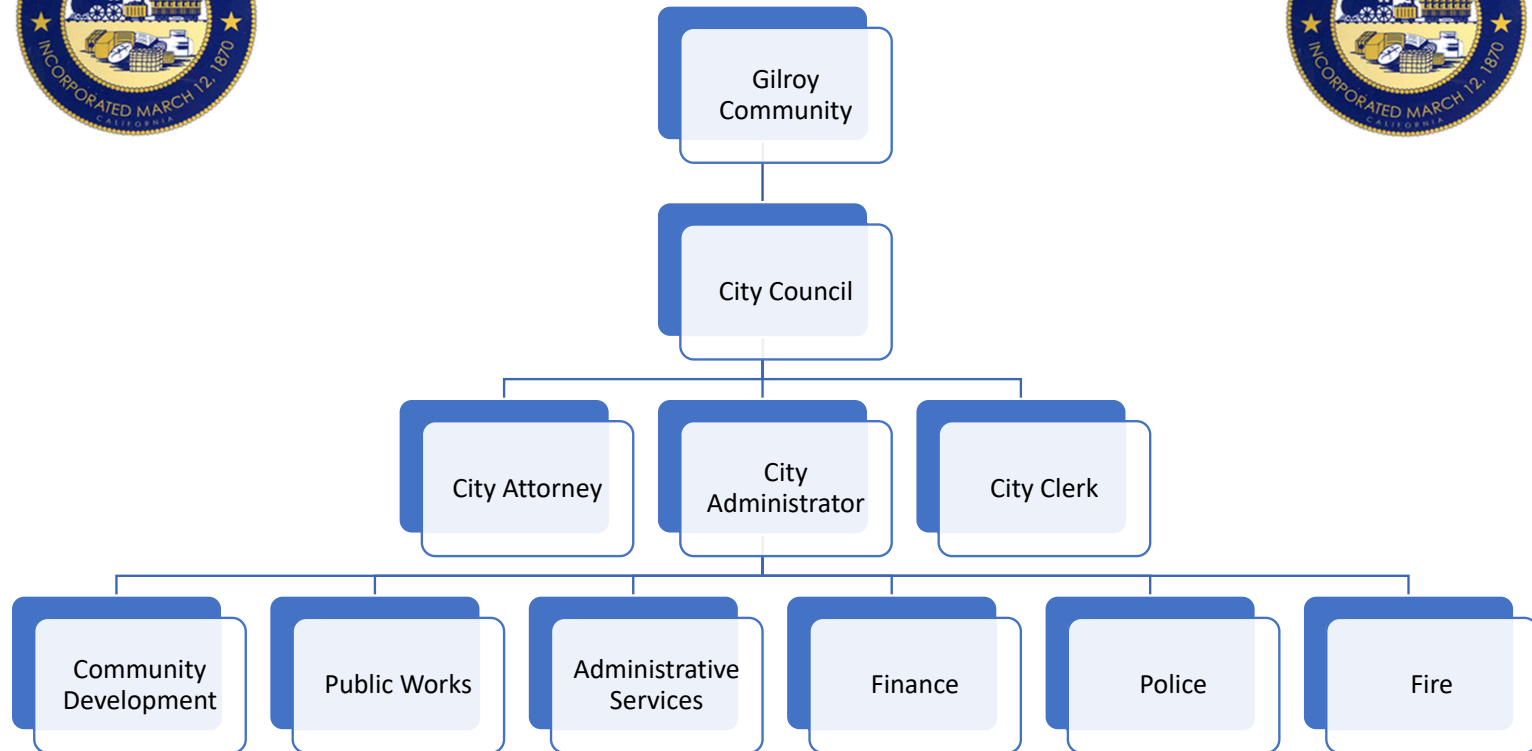
ELECTED OFFICIALS

Marie Blankley	Mayor
Peter Leroe-Muñoz	Mayor Pro Tempore
Rebeca Armendariz	Council Member
Dion Bracco	Council Member
Zach Hilton	Council Member
Fred Tovar	Council Member
Carol Marques	Council Member

CITY STAFF

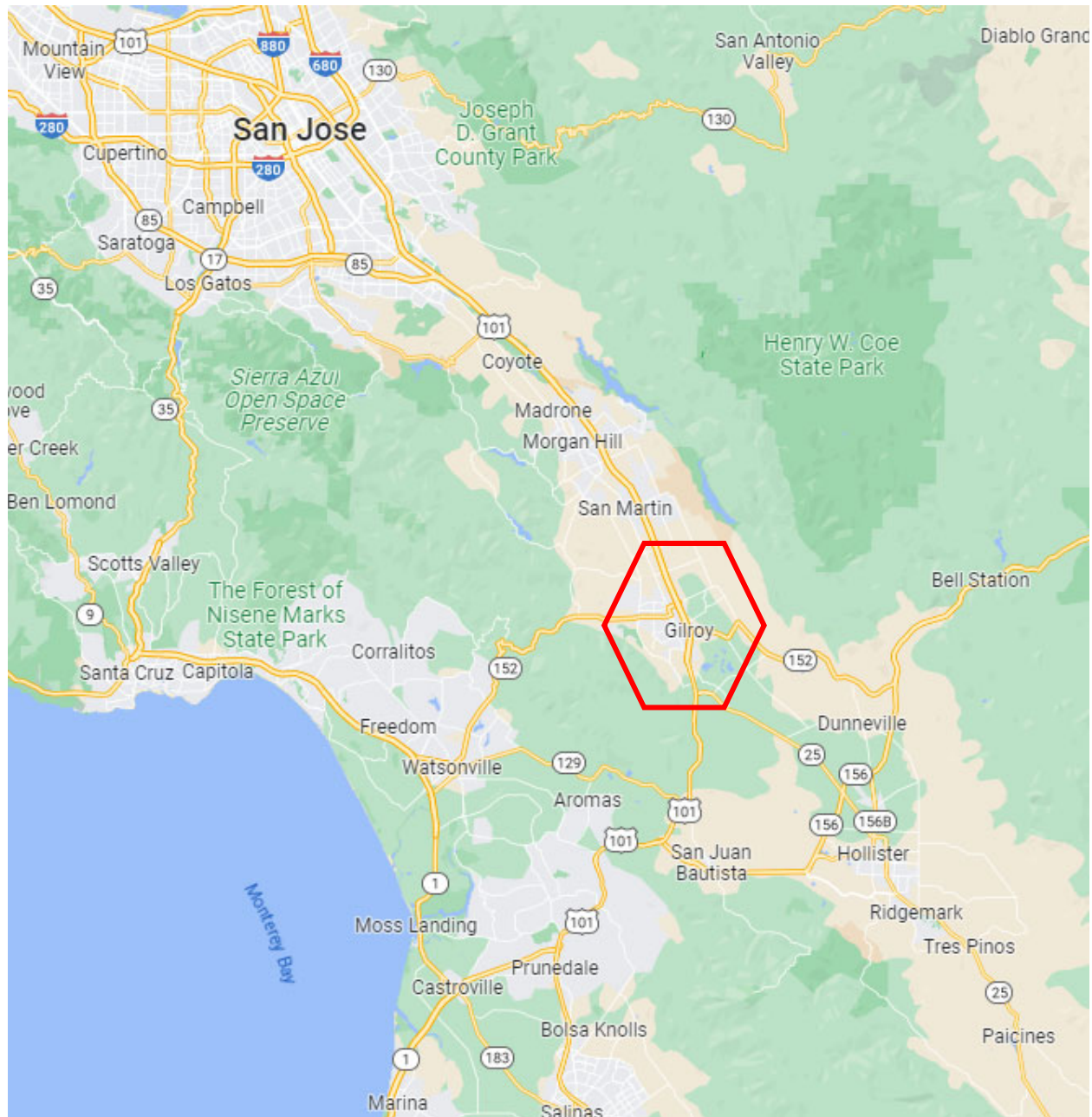
Jimmy Forbis	City Administrator
Thai Pham	City Clerk
Jon Biggs	Interim Community Development Director
Sharon Goei	Community Development Director
Harjot Sangha	Finance Director
Jim Wyatt	Fire Chief
LeeAnn McPhillips	Administrative Services and Human Resources Director/Risk Manager
Pedro Espinoza	Police Chief
Daryl Jordan	Public Works Director

ORGANIZATION CHART



City of Gilroy

Map





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Gilroy
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and the Members of the City Council
of the City of Gilroy
Gilroy, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Gilroy, California (the "City") as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit ("DCU"), each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Implementation of New GASB Pronouncements

As discussed in Note 1 to the basic financial statements, the City and discretely presented component unit implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases* during the year. As of July 1, 2021, the Governmental Activities Lease Receivable and Deferred Inflows was increased by \$6,655,595 and the DCU Lease Receivable and Deferred Inflows was increased by \$129,917. Our opinion is not modified with respect to this matter.



To the Honorable Mayor and the Members of the City Council
of the City of Gilroy
Gilroy, California
Page 2

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Honorable Mayor and the Members of the City Council
of the City of Gilroy
Gilroy, California
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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedules of Changes in Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and the Members of the City Council
of the City of Gilroy
Gilroy, California
Page 4

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2023, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
February 16, 2023

City of Gilroy
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

The following discussion and analysis of the financial performance of the City of Gilroy (City) provides an overview of the City's financial activities for the fiscal year ended June 30, 2022 (FY22). Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The government-wide Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL HIGHLIGHTS

- During FY22, the City's overall net position, representing the difference between total assets plus deferred outflows of resources of the City, and total liabilities plus deferred inflows of resources, increase by \$26.1 million to \$373.3 million. Of the total net position, \$81.5 million, or about 23%, remains as unrestricted, and most of the remaining, about 59%, consists of net investment in capital assets. Additional detail can be found on the Statement of Net Position on page 19.
- Total Citywide revenues were \$123.8 million, \$20.8 million better than FY21 primarily due to an increase in tax revenues and capital grants and contributions.
- Total citywide expenditures, excluding non-operating expenses, were \$97.8 million, a decrease of \$8.4 million from FY21. Notable decrease was in the business-type activities of \$6.6 million related to operational savings primarily in the water enterprise.
- As of June 30, 2022, the City's governmental funds reported a combined ending fund balance of \$111.1 million, an increase of 42%, or \$33.2 million, from prior fiscal year. The City received \$10.3 million in American Rescue Plan Act (ARPA) funds during the fiscal year and notable increase in capital grants and contributions in the form of developer impact fees.
- The fund balance in the City's General Fund increased by \$18.5 million to \$38.2 million, a combination of one-time contributions from ARPA funds, increased tax revenues, and conservative spending. During FY22, the General Fund had an excess of revenues over expenditures of \$17.5 million, excluding transfers.
- Actual revenues, excluding transfers, in the General Fund were \$12.3 million better than the final budget, primarily due to higher than anticipated tax revenues and intergovernmental grants received during the year.
- Actual expenditures, excluding transfers, in the General Fund were \$5.0 million less than the final budget, as a result of operational savings primarily in the Public Works and capital outlay.

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City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

- As of June 30, 2022, the City had \$111.7 million in long-term debt. Of the total, governmental activities long-term debt portion is \$56.6 million, consisting of \$24.6 million in general obligation bonds, \$31.3 million in lease revenue bonds, and a loan payable of \$0.7 million. The remaining \$55.1 million is for business-type activities in the form of sewer revenue bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and a *supplementary information* section that presents *combining statements* for nonmajor governmental funds, internal service funds and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - The *governmental funds* statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - *Proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the water and sewer system.
 - *Fiduciary funds* statements provide information about the fiduciary relationships – like the custodial funds of the City – in which the City acts solely as agent or trustee for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provides additional financial and budgetary information.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of *management's discussion and analysis* explains the structure and contents of each of the statements.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Figure A-1

Major Features of the City's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures and changes in fund balances	• Statement of net position • Statement of revenues, expenses and changes net position • Statement of cash flows	• Statement of fiduciary net position • Statement of change in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets, deferred outflows of resources and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets, deferred outflows of resources and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's fiduciary funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Reporting the City as a Whole

The accompanying government-wide financial statements include two statements that present financial data for the City as a whole. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets, deferred outflows of resources and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. The City's net position – the difference between assets, deferred inflows/outflows of resources and liabilities – can be considered one way to measure the City's financial health, or *financial position*. Over time, *increases and decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. Other things to consider include other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities - Most of the City's basic services are reported here. Sales taxes, property taxes, and other revenues finance most of these activities.
- Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of the services accounted for in these funds.

Reporting the City's Major Funds

The fund financial statements provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants, or other money (such as grants received). The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- *Governmental funds* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* in reconciliations following the fund financial statements.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

- *Proprietary funds* - When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities.

Reporting the City's Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Figure 1: A summary of the government-wide *statement of net position* (in millions) follows:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Cash and investments	\$ 131.6	\$ 108.0	\$ 91.1	\$ 100.9	\$ 222.7	\$ 208.9
Other Assets	17.9	11.3	77.9	70.3	95.8	81.6
Capital Assets	202.8	210.1	84.0	85.9	286.8	296.0
Total Assets	352.3	329.4	253.0	257.1	605.3	586.5
Deferred Outflows	14.2	14.8	1.8	2.9	16.0	17.7
Other Liabilities	15.3	21.1	5.2	3.8	20.5	24.9
Long term liabilities outstanding	130.2	155.6	63.5	73.5	193.7	229.1
Total Liabilities	145.5	176.7	68.7	77.3	214.2	254.0
Deferred Inflows	30.4	2.5	3.5	0.4	33.9	2.9
Net Position						
Net investment in capital assets	147.1	149.9	73.4	83.1	220.5	233.0
Restricted	71.3	57.6	-	-	71.3	57.6
Unrestricted	(27.7)	(42.5)	109.2	99.2	81.5	56.7
Total Net Position	\$ 190.7	\$ 164.9	\$ 182.6	\$ 182.3	\$ 373.3	\$ 347.2

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Figure 2: A summary of the government-wide *statement of activities* follows:

Changes in Net Position (In millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 10.3	\$ 12.1	\$ 26.9	\$ 27.5	\$ 37.2	\$ 39.6
Operating grants and contributions	15.5	16.5	0.4	-	15.9	16.5
Capital grants and contributions	18.2	2.0	0.6	2.5	18.8	4.5
General revenues:						
Taxes	53.0	43.4	-	-	53.0	43.4
Investment income	(0.4)	0.5	(4.0)	(2.1)	(4.4)	(1.6)
Miscellaneous	3.3	0.6	-	-	3.3	0.6
Total revenues	<u>99.9</u>	<u>75.1</u>	<u>23.9</u>	<u>27.9</u>	<u>123.8</u>	<u>103.0</u>
Expenses:						
General government	10.2	7.3	-	-	10.2	7.3
Public safety	38.7	40.8	-	-	38.7	40.8
Public works	13.8	16.9	-	-	13.8	16.9
Community development	7.7	7.1	-	-	7.7	7.1
Recreation services	1.6	1.8	-	-	1.6	1.8
Interest expense	2.1	2.1	-	-	2.1	2.1
Water	-	-	10.9	16.4	10.9	16.4
Sewer	-	-	12.8	13.8	12.8	13.8
Total expenses	<u>74.1</u>	<u>76.0</u>	<u>23.7</u>	<u>30.2</u>	<u>97.8</u>	<u>106.2</u>
Change in net position						
before transfers	25.8	(0.9)	0.2	(2.3)	26.0	(3.2)
Transfers in (out)	<u>(0.1)</u>	<u>(0.6)</u>	<u>0.1</u>	<u>0.6</u>	<u>-</u>	<u>-</u>
Change in net position	25.7	(1.5)	0.3	(1.7)	26.0	(3.2)
Net position, beginning of year	<u>164.9</u>	<u>166.4</u>	<u>182.3</u>	<u>184.0</u>	<u>347.2</u>	<u>350.4</u>
Net position, end of year	<u>\$ 190.7</u>	<u>\$ 164.9</u>	<u>\$ 182.6</u>	<u>\$ 182.3</u>	<u>\$ 373.3</u>	<u>\$ 347.2</u>

The increase or decrease in net position can provide an indication as to whether the overall position of the City improved or deteriorated during the year.

Governmental Activities: Figure 1 – Statement of Net Position illustrates the total net position increased by \$25.8 million compared to the prior year, primarily in restricted and unrestricted. Total asset's increased by \$22.9 million in the cash and investment category, offset by decrease in total liabilities attributable to pension and OPEB liabilities. Figure 2 – Statement of Activities illustrates the program level revenues and expenditures for the fiscal year. Total revenues for governmental activities were \$99.9 million, or about 33%, higher compared to the prior year primarily in the areas of capital grants and contributions attributable to developer impact fees and general tax revenues. Total expenditures for governmental activities were \$74.2 million, or about 2% less compared to the prior year, notably due to decreased spending in public safety and public works programs.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Business-type Activities: Figure 1 – Statement of Net Position illustrates the total net position for business-type activities increased by \$0.3 million compared to the prior year, with a notable decrease in net investment in capital assets, offset by an increase in the unrestricted net position. Total assets decreased by \$4.1 million notably in the cash and investment category offset by an increase in other assets. In 2021, the City issued sewer revenue bonds, 2021A series, to finance its share of the South County Regional Wastewater Treatment plant expansion project. The project commenced during FY22 hence the decrease in cash and investment for draws against the bond proceeds, offset by increase in other assets including City's investment in the plant. Total liabilities decreased by \$8.6 million most attributable to reduction in pension liabilities. Figure 2 - Statement of Activities illustrates the total revenues for business-type activities were \$23.9 million, excluding transfers, a decrease of \$4.0 million from prior year, notably in capital grants and contributions and investment income related to the joint venture. Total expenditures for business-type activities were \$23.6 million, about \$6.6 million lower than prior year, notably due to decreased expenditures in water enterprise. The last rate increases for both utilities were implemented in fiscal year 2019. On October 19, 2021, Governor Gavin Newsom declared a drought emergency across the state, urging residents to conserve water. The measures are expected to have an impact to the water sales revenue, requiring a review of the current rate structure to ensure the utilities are not adversely impacted in their operations and to ensure the health and safety of both systems. The City has engaged a consultant to conduct a rate study for both utilities and expects to have the new rates instituted at the beginning of FY24.

MAJOR FUNDS

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Funds. The General Fund is the chief operating fund of the City. The City combines its Sidewalk Repair, Golf Course, and Community Recreation special revenue funds with the City's General Fund for financial statement presentation as required under GASB 54 as they are subsidized by the general fund. During FY21, the City implemented GASB 84 which provides guidance on accounting and reporting for fiduciary activities of the City. The implementation of GASB 84 resulted in increase of assets and liabilities in the City's governmental funds as some funds that were previously classified as fiduciary no longer met the criteria under GASB 84. For the City, these primarily include Revolving Deposits and Deposits on hand for other purposes such as employee wellness, and Barney J. Garcia EMS Training. At the end of FY22, the total fund balance of the general fund (as presented in the aforementioned manner) was \$38.2 million.

Revenues increased between the years ended June 30, 2021 and June 30, 2022 by \$17.4 million, primarily in the intergovernmental revenues (one-time ARPA funds), and tax revenues, offset by a decrease in charges for services. During FY22, the City experienced a strong economic recovery driven by the various Covid-19 related economic measures undertaken by the federal government to keep the economy afloat.

The **Public Facilities Impact Capital Projects Fund** has a total fund balance of \$30,550. The fund balance improved by \$5.4 million by a combination of increased impact fee revenue from several major development projects, notably in the residential multi-family category, and decreased expenditures, notably in capital outlay category. In February 2008, this fund borrowed \$13.7 million from several funds for the purchase of Gilroy Gardens. See Note 5, in the *Notes to the Basic Financial Statements* for additional information. The balance outstanding at June 30, 2022 is \$4.7 million.

Major Enterprise Funds. The City provides water and sewer utility services to the Gilroy community and operates both as enterprises. Unrestricted net position of the **Sewer Fund** at the end of the year amounted to \$85.3 million, an increase of 3.5% from prior year, and for the **Water Fund** amounted to \$24.0 million, an increase of 15%.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

GENERAL FUND

The final budgeted operating revenues of the General Fund were \$61.0 million. The actual operating revenues of the General Fund were \$73.3 million, \$12.3 million more than the final budget, primarily due to higher than expected sales, property and utility user taxes, and intergovernmental grants received, where the majority of the one-time ARPA monies allocated to the City were recognized as revenue in FY22.

The final budgeted operating expenditures and transfers of the General Fund were \$59.8 million. The actual operating expenditures and transfers of the General Fund were \$57.7 million, approximately \$2.1 million less than the final budget. The savings were primarily in the capital outlay related to streets pavement rehabilitation, recreation and public works.

In June 2017, the City Council adopted a new general fund reserve policy that consisted of (i) an unrestricted General Fund Reserve of 20% of general fund expenditures and (ii) an Economic Stability Reserve of 10% of general fund expenditures that is intended to help the City weather a severe economic crisis. The following table summarizes the adopted general fund reserve policy:

<u>General Fund Reserve</u>	<u>Description of Use</u>	<u>Amount</u>
Unrestricted	Unbudgeted costs or revenue shortfall	Minimum of 20% of expenditures
Economic Stability	Specific triggers in severe economic downturn	Minimum of 10% of expenditures

The Economic Stability Reserve shall only be used in extraordinary circumstances, upon satisfaction of one of the following "economic triggers" and with the majority vote of the City Council:

- State take-away of significant revenue
- Large drop in property taxes (decrease in assessed valuations)
- Major business closures (sales tax and/or utility users' tax impact)
- Dramatic drop in development from projections
- Large unexpected drop in sales taxes (or other primary revenues - utility users' tax, franchise fees or transient occupancy tax) due to severe recession
- The economic triggers cause the General Fund Reserve to fall below a predetermined percentage of expenditures (e.g., 20%).

When the Economic Stability Reserve is used, the City is obligated to replenish the reserve by the end of the next biennial budget to 10% of the general fund expenditures for the given year.

During FY22, the City adequately maintained the Unrestricted General Fund Reserves and the Economic Stability Reserves as required by the policy.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

CAPITAL ASSETS

	(in millions)					
	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 21.3	\$ 21.3	\$ -	\$ -	\$ 21.3	\$ 21.3
Construction in progress	5.7	7.3	0.1	0.1	5.8	7.4
Buildings and improvements	75.6	78.7	-	-	75.6	78.7
Equipment and furniture	2.0	2.3	-	-	2.0	2.3
IT equipment and software	0.5	0.2	-	-	0.5	0.2
Vehicle	3.8	4.1	0.2	0.2	4.0	4.3
Infrastructure	93.9	96.2	83.7	85.6	177.6	181.8
Total	<u>\$ 202.8</u>	<u>\$ 210.1</u>	<u>\$ 84.0</u>	<u>\$ 85.9</u>	<u>\$ 286.8</u>	<u>\$ 296.0</u>

The net decrease to capital assets, for both activities, during the year ended June 30, 2022 was due to depreciation expense.

Additional information on the City's capital assets can be found in the *Note 7 to the Basic Financial Statements*.

LONG-TERM DEBT

	(in millions)	
	2022	2021
Governmental Activities:		
Loan Payable	\$ 0.7	\$ 0.8
General Obligation Bonds	24.6	25.6
Refunding Lease Revenue Bonds	31.3	33.3
Total Governmental Activities	<u>56.6</u>	<u>59.7</u>
Business-Type Activities:		
Revenue Bonds	<u>55.1</u>	<u>57.9</u>
Total Business-Type Activities	<u>55.1</u>	<u>57.9</u>
Total Long-Term Debt	<u>\$ 111.7</u>	<u>\$ 117.6</u>

As of June 30, 2022, the City's governmental activities had bonded debt outstanding of \$56.6 million, including unamortized premium. Of this amount, \$24.6 million represents general obligation bonds secured solely by specified revenue sources, \$31.3 million represents lease refunding revenue bonds, and \$0.7 million represents streetlights related loan payable.

As of June 30, 2022, the City's business-type activities had \$55.1 million bonded debt outstanding, consisting of \$5.6 million of unamortized premium, \$2.4 million of 2010 wastewater revenue refunding bonds, and \$47.1 million of 2021 wastewater revenue refunding bonds.

See Note 10 in the *Notes to the Basic Financial Statements* for a further discussion.

City of Gilroy
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Budgetary Highlights

See the Required Supplementary Information in the City's financial statements for a comparison of the City's budgeted revenues and expenditures to actual revenues and expenditures. When preparing its budget, the City projects its revenues using realistic, but conservative methods so as to budget its expenditure appropriations in a prudent manner.

As previously noted, the City has two unrestricted reserve levels – the Unrestricted General Fund Reserves and the Economic Stability Reserve, neither of which were utilized during FY22. The City continues its conservative spending measures to ensure long-term fiscal sustainability.

In addition, the City continued economic incentive transfers from the general fund to the impact funds, to make these funds whole for the previously granted incentives.

During FY22, the City experienced strong economic recovery as a result of federal stimulus funding made available for both the general public and municipalities across the nation to support the economy. In addition, other factors such as the war in Ukraine, impacted prices of energy, which contributed to the increased sales and utility user tax revenues.

The City has always taken a conservative approach in its spending in order to maintain a balanced budget – for and on behalf of the community – and will continue to be financially prudent during the current biennial budget.

The City regularly reviews its revenues and expenditures and reports to the City Council to keep both the Council and the residents apprised of its current fiscal health and to ensure the adequate protection of the City's financial resources.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office, at the City of Gilroy, 7351 Rosanna Street, Gilroy, California 95020.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Gilroy
Statement of Net Position
June 30, 2022

	Primary Government			Discrete Component Unit (DCU)
	Governmental Activities	Business-Type Activities	Total	South County Regional Wastewater Authority
ASSETS				
Current assets:				
Cash and investments	\$ 128,734,374	\$ 46,620,556	\$ 175,354,930	\$ 10,758,715
Cash and investments with fiscal agent	2,904,426	44,512,120	47,416,546	-
Accounts receivable, net	580,661	3,444,892	4,025,553	244,900
Due from other governments	5,527,133	-	5,527,133	2,248,554
Prepaid items	86,414	-	86,414	-
Interest receivable	1,150,593	-	1,150,593	107
Loans receivable	3,138,245	-	3,138,245	-
Lease receivable - current	245,543	-	245,543	89,597
Due from primary government	-	-	-	1,107,862
Total current assets	142,367,389	94,577,568	236,944,957	14,449,735
Noncurrent assets:				
Land held for resale	706,754	-	706,754	-
Equity investment in DCU	-	74,480,304	74,480,304	-
Lease receivable - noncurrent	6,404,440	-	6,404,440	-
Capital assets - nondepreciable	27,068,826	108,139	27,176,965	48,653,514
Capital assets - depreciable, net	175,746,333	83,862,577	259,608,910	62,907,676
Total noncurrent assets	209,926,353	158,451,020	368,377,373	111,561,190
Total assets	352,293,742	253,028,588	605,322,330	126,010,925
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	11,618,855	1,305,504	12,924,359	-
Deferred outflows of resources related to OPEB	2,606,561	530,095	3,136,656	-
Total deferred outflows of resources	14,225,416	1,835,599	16,061,015	-

City of Gilroy
Statement of Net Position (Continued)
June 30, 2022

	Primary Government			Discrete Component Unit (DCU)
	Governmental Activities	Business-Type Activities	Total	South County Regional Wastewater Authority
LIABILITIES				
Current liabilities:				
Accounts payable	1,668,472	586,285	2,254,757	5,293,452
Accrued payroll and benefits	3,448,021	378,309	3,826,330	-
Deposits payable	3,425,943	18,688	3,444,631	-
Interest payable	462,172	689,791	1,151,963	-
Unearned revenues	1,154,806	-	1,154,806	-
Due to DCU	-	1,107,862	1,107,862	-
Compensated absences, due within one year	237,289	23,282	260,571	1,973
Claims payable, due within one year	1,696,997	-	1,696,997	-
Long-term debt, due within one year	3,205,084	2,440,000	5,645,084	-
Total current liabilities	15,298,784	5,244,217	20,543,001	5,295,425
Noncurrent liabilities:				
Compensated absences, due in more than one year	1,609,725	209,536	1,819,261	17,764
Claims payable, due in more than one year	6,994,287	-	6,994,287	-
Long-term debt, due in more than one year	53,451,911	52,653,508	106,105,419	-
Aggregate net pension liabilities	53,134,868	7,568,460	60,703,328	-
Total OPEB liabilities	14,978,632	3,046,196	18,024,828	-
Total noncurrent liabilities	130,169,423	63,477,700	193,647,123	17,764
Total liabilities	145,468,207	68,721,917	214,190,124	5,313,189
DEFERRED INFLOWS OF RESOURCES				
Deferred lease-related items	6,592,488	-	6,592,488	111,107
Deferred pension-related items	21,115,037	2,961,269	24,076,306	-
Deferred OPEB-related items	2,660,113	540,985	3,201,098	-
Total deferred inflows of resources	30,367,638	3,502,254	33,869,892	111,107
NET POSITION				
Net investment in capital assets	147,079,194	73,389,328	220,468,522	64,817,051
Restricted for:				
Nonspendable:				
Minority interest of DCU	-	-	-	46,106,325
Spendable:				
PARS	1,983,396	-	1,983,396	-
Public safety	591,293	-	591,293	-
Community development	10,044,729	-	10,044,729	-
Public works	59,577,053	-	59,577,053	-
Debt service	1,414,579	-	1,414,579	-
Total restricted	71,627,654	-	71,627,654	46,106,325
Unrestricted (deficit)	(28,023,535)	109,250,688	81,227,153	9,663,253
Total net position	\$ 190,683,313	\$ 182,640,016	\$ 373,323,329	\$ 120,586,629

City of Gilroy
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues		
		Charges for	Operating Grants	Capital Grants
	Expenses	Services	and Contributions	and Contributions
Functions/Programs				
Primary Government (PG)				
Governmental Activities:				
General government	\$ 10,224,823	\$ 4,595,133	\$ 10,301,575	\$ -
Public safety	38,706,978	476,918	1,775,812	-
Community development	7,689,175	3,346,864	1,822,261	-
Public works	13,840,272	1,317,695	1,564,524	18,227,036
Recreation services	1,600,210	599,265	20	-
Interest	2,089,473	-	-	-
Total Governmental Activities	74,150,931	10,335,875	15,464,192	18,227,036
Business-Type Activities:				
Sewer	12,678,990	12,912,113	258,030	222,071
Water	10,930,989	13,959,847	156,922	344,069
Total Business-Type Activities	23,609,979	26,871,960	414,952	566,140
Total Primary Government	\$ 97,760,910	\$ 37,207,835	\$ 15,879,144	\$ 18,793,176
Discretely Presented Component Unit (DCU)				
South County Regional Wastewater Authority	\$ 16,483,460	\$ 398,455	\$ 10,723,699	\$ 20,965,020

City of Gilroy
Statement of Activities (Continued)
For the Year Ended June 30, 2022

	Net (Expense) Revenue and Changes in Net Position			Discrete Component Unit (DCU)
	Governmental Activities	Business-Type Activities	Total	South County Regional Wastewater Authority
Functions/Programs				
Primary Government (PG)				
Governmental Activities:				
General government	\$ 4,671,885	\$ -	\$ 4,671,885	\$ -
Public safety	(36,454,248)	-	(36,454,248)	-
Community development	(2,520,050)	-	(2,520,050)	-
Public works	7,268,983	-	7,268,983	-
Recreation services	(1,000,925)	-	(1,000,925)	-
Interest	(2,089,473)	-	(2,089,473)	-
Total Governmental Activities	(30,123,828)	-	(30,123,828)	-
Business-Type Activities:				
Sewer	-	713,224	713,224	-
Water	-	3,529,849	3,529,849	-
Total Business-Type Activities	-	4,243,073	4,243,073	-
Total Primary Government	(30,123,828)	4,243,073	(25,880,755)	-
Discretely Presented Component Unit (DCU)				
South County Regional Wastewater Authority	-	-	-	15,603,714
General Revenues:				
Taxes:				
Property taxes	20,294,522	-	20,294,522	-
Sales taxes	23,216,109	-	23,216,109	-
Transient occupancy taxes	1,545,721	-	1,545,721	-
Franchise taxes	1,874,046	-	1,874,046	-
Utility users tax	5,488,491	-	5,488,491	-
Real property transfer taxes	618,818	-	618,818	-
Investment loss	(418,588)	(4,011,115)	(4,429,703)	(24,592)
Miscellaneous	3,345,996	15,879	3,361,875	-
Transfers	(74,279)	74,279	-	-
Total General Revenues	55,890,836	(3,920,957)	51,969,879	(24,592)
Changes in Net Position	25,767,008	322,116	26,089,124	15,579,122
Net Position - Beginning	164,916,305	182,317,900	347,234,205	105,007,507
Net Position - Ending	\$ 190,683,313	\$ 182,640,016	\$ 373,323,329	\$ 120,586,629

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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City of Gilroy
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Capital Projects Fund Public Facilities Impact	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 37,022,501	\$ 4,744,704	\$ 66,553,431	\$ 108,320,636
Receivables:				
Accounts	279,832	-	277,247	557,079
Due from other governments	5,052,182	-	474,951	5,527,133
Interest	292,768	-	857,079	1,149,847
Loans	-	-	3,138,245	3,138,245
Leases	5,850,164	-	-	5,850,164
Due from other funds	312,754	-	-	312,754
Advances from other funds	-	-	1,955,153	1,955,153
Prepaid items	739	-	-	739
Land held for resale	-	-	706,754	706,754
Restricted assets:				
Cash and investments with fiscal agents	1,983,396	-	921,030	2,904,426
Total assets	\$ 50,794,336	\$ 4,744,704	\$ 74,883,890	\$ 130,422,930
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 884,421	\$ 10,371	\$ 261,113	\$ 1,155,905
Accrued liabilities	1,883,455	-	39,008	1,922,463
Deposits payable	3,386,368	-	35,299	3,421,667
Unearned revenue	911,023	-	243,783	1,154,806
Due to other funds	-	-	312,754	312,754
Advances to other funds	-	4,703,783	-	4,703,783
Total liabilities	7,065,267	4,714,154	891,957	12,671,378
Deferred inflows of resources:				
Lease related	5,823,353	-	-	5,823,353
Unavailable revenues	-	-	800,249	800,249
Total deferred inflows of resources	5,823,353	-	800,249	6,623,602
Fund balances:				
Nonspendable	739	-	-	739
Restricted	1,983,396	30,550	67,697,386	69,711,332
Committed	5,572,376	-	-	5,572,376
Assigned	-	-	5,494,298	5,494,298
Unassigned	30,349,205	-	-	30,349,205
Total fund balances	37,905,716	30,550	73,191,684	111,127,950
Total liabilities, deferred inflows of resources, and fund balances	\$ 50,794,336	\$ 4,744,704	\$ 74,883,890	\$ 130,422,930

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City of Gilroy
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds	\$	111,127,950
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Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Nondepreciable, net of \$2,683,479 reported in Internal Service Fund	\$	24,385,347	
Depreciable, net of \$4,512,691 reported in Internal Service Fund		171,233,642	195,618,989

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position:

Bonds payable	\$	(53,071,950)	
Premium on bonds payable		(2,911,561)	
Loans payable		(673,484)	
Interest payable		(462,172)	
Compensated absences, net of \$94,081 reported in Internal Service Fund		(1,752,933)	(58,872,100)

Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

Pension related deferred outflows of resources	\$	11,618,855	
Aggregate net pension liability		(53,134,868)	
Pension related deferred inflows of resources		(21,115,037)	(62,631,050)

Net OPEB liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

OPEB related deferred outflows of resources	\$	2,606,561	
Aggregate net OPEB liability		(14,978,632)	
OPEB related deferred inflows of resources		(2,660,113)	(15,032,184)

Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the Government-Wide Financial Statements and, therefore, the revenue is recognized when eligibility requirements are met and earned.

800,249

Internal Service Funds were used by management to charge the costs of certain activities, such as insurance and equipment replacement to individual funds. The assets and liabilities of the Internal Service Funds were included in the governmental activities in the Government-Wide Statement of Net Position.

19,671,459

Net Position of Governmental Activities

\$ 190,683,313

City of Gilroy
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Capital Projects Fund Public Facilities Impact	Other Governmental Funds	Total
Revenues:				
Taxes	\$ 49,095,118	\$ -	\$ 3,942,589	\$ 53,037,707
Intergovernmental	11,267,505	-	3,537,774	14,805,279
Charges for services	7,380,631	-	-	7,380,631
Developer impact fees	-	8,665,502	9,561,534	18,227,036
Licenses and permits	2,672,186	-	-	2,672,186
Fines and forfeitures	262,403	-	-	262,403
Investment income (loss)	(758,838)	15,315	202,280	(541,243)
Miscellaneous	3,340,843	-	682,370	4,023,213
Total revenues	- 73,259,848	8,680,817	17,926,547	99,867,212
Expenditures:				
Current:				
General government	7,936,277	-	13,385	7,949,662
Public safety	36,492,344	-	1,195,450	37,687,794
Recreation services	1,463,448	-	-	1,463,448
Community development	4,517,132	-	1,018,394	5,535,526
Public works	5,065,424	30,927	998,479	6,094,830
Capital outlay	249,133	-	2,390,600	2,639,733
Debt service:				
Principal retirement	-	-	2,820,129	2,820,129
Interest and fiscal charges	-	79,971	2,297,367	2,377,338
Total expenditures	55,723,758	110,898	10,733,804	66,568,460
Excess of revenues over expenditures	- 17,536,090	8,569,919	7,192,743	33,298,752
Other financing sources (uses):				
Transfers in	2,779,852	40,763	3,782,921	6,603,536
Transfers out	(2,043,469)	(3,182,644)	(1,451,702)	(6,677,815)
Total other financing sources (uses)	736,383	(3,141,881)	2,331,219	(74,279)
Net Change in Fund Balances	18,272,473	5,428,038	9,523,962	33,224,473
Fund balances:				
Beginning of year	19,633,243	(5,397,488)	63,667,722	77,903,477
End of year	\$ 37,905,716	\$ 30,550	\$ 73,191,684	\$ 111,127,950

City of Gilroy
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 33,224,473
Governmental activities in the Statement of Activities were reported differently because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	
Capital outlay, net of \$1,508,138 reported in Internal Service Fund	\$ 2,828,308
Depreciation, net of \$699,685 reported in Internal Service Funds	(10,864,502)
Net effect on disposal of capital assets	<u>(75,829)</u>
	(8,112,023)
Net change in revenues that was considered unavailable in the governmental funds. These items have been reported as revenue in the Statement of Activities.	78,126
Principal repayment on long-term debt is not an expense in the Statement of Activities, but is considered an expenditure in governmental funds.	
Bonds payable	\$ 2,727,696
Loans payable	<u>92,433</u>
	2,820,129
Interest accrued on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest is not reported as an expenditure in governmental funds. This amount represents the change in accrued interest from the prior year.	21,745
Amortization of bond discount was recognized in interest expense on the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore amortization of bond discount was not reported as an expenditure in the governmental funds.	266,120
Compensated absences were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, compensated absences were not reported as expenditures in the governmental funds. Compensated absences is net of \$2,598 reported in Internal Service Funds.	94,227
Certain pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,964,528
Certain OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(794,049)
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment replacement, to individual funds. The net revenue of the Internal Service Funds is reported in governmental activities.	<u>(4,796,268)</u>
Change in Net Position of Governmental Activities	<u>\$ 25,767,008</u>

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Gilroy
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 17,717,488	\$ 28,903,068	\$ 46,620,556	\$ 20,413,738
Cash and investments with fiscal agent	44,512,120	-	44,512,120	-
Accounts receivable	1,651,883	1,793,009	3,444,892	23,582
Interest receivable	-	-	-	746
Lease receivable - current	-	-	-	87,681
Prepaid items	-	-	-	85,675
Total current assets	63,881,491	30,696,077	94,577,568	20,611,422
Noncurrent assets:				
Advances to other funds	-	-	-	2,748,630
Equity investment in DCU	74,480,304	-	74,480,304	-
Lease receivable - noncurrent	-	-	-	712,138
Capital assets:				
Capital assets, not depreciated	-	108,139	108,139	2,683,479
Capital assets, depreciated, net	30,323,316	53,539,261	83,862,577	4,512,691
Total noncurrent assets	104,803,620	53,647,400	158,451,020	10,656,938
Total assets	168,685,111	84,343,477	253,028,588	31,268,360
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension	696,576	608,928	1,305,504	-
Deferred outflows of resources related to OPEB	266,616	263,479	530,095	-
Total deferred outflows of resources	963,192	872,407	1,835,599	-

City of Gilroy
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	36,833	549,452	586,285	512,567
Accrued liabilities	166,239	212,070	378,309	1,525,558
Deposits payable	-	18,688	18,688	4,276
Interest payable	689,791	-	689,791	-
Due to DCU	1,107,862	-	1,107,862	-
Compensated absences, current portion	11,293	11,989	23,282	9,400
Claims payable, current portion	-	-	-	1,696,997
Bonds payable, current portion	2,440,000	-	2,440,000	-
Total current liabilities	4,452,018	792,199	5,244,217	3,748,798
Noncurrent liabilities:				
Compensated absences	101,634	107,902	209,536	84,681
Claims payable	-	-	-	6,994,287
Bonds payable	52,653,508	-	52,653,508	-
Net pension liability	4,038,295	3,530,165	7,568,460	-
Net OPEB liability	1,532,110	1,514,086	3,046,196	-
Total noncurrent liabilities	58,325,547	5,152,153	63,477,700	7,078,968
Total liabilities	62,777,565	5,944,352	68,721,917	10,827,766
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to leases	-	-	-	769,135
Deferred inflows of resources related to pension	1,580,041	1,381,228	2,961,269	-
Deferred inflows of resources related to OPEB	272,093	268,892	540,985	-
Total deferred inflows of resources	1,852,134	1,650,120	3,502,254	769,135
NET POSITION				
Net investment in capital assets	19,741,928	53,647,400	73,389,328	7,196,170
Unrestricted	85,276,676	23,974,012	109,250,688	12,475,289
Total net position	\$ 105,018,604	\$ 77,621,412	\$ 182,640,016	\$ 19,671,459

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City of Gilroy
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities			Governmental Activities
			Total Enterprise Funds	Internal Service Funds
	Sewer	Water		
OPERATING REVENUES:				
Charges for services	\$ 12,912,113	\$ 13,959,847	\$ 26,871,960	\$ 27,738,574
Claims and judgments	-	-	-	560,152
Miscellaneous	-	15,879	15,879	952,325
TOTAL OPERATING REVENUES	12,912,113	13,975,726	26,887,839	29,251,051
OPERATING EXPENSES:				
Operations	8,254,822	8,050,434	16,305,256	27,170,696
Depreciation	1,510,639	1,385,429	2,896,068	699,685
Billing	777,901	755,086	1,532,987	-
Administration	789,602	740,040	1,529,642	158,475
Claims and judgments	6,225	-	6,225	3,919,860
Insurance premiums	-	-	-	2,221,312
TOTAL OPERATING EXPENSES	11,339,189	10,930,989	22,270,178	34,170,028
OPERATING INCOME (LOSS)	1,572,924	3,044,737	4,617,661	(4,918,977)
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	(270,217)	(611,691)	(881,908)	122,709
Interest expense	(1,339,801)	-	(1,339,801)	-
Intergovernmental	258,030	156,922	414,952	-
Share of DCU net loss	(3,129,207)	-	(3,129,207)	-
Total Nonoperating Income (Loss)	(4,481,195)	(454,769)	(4,935,964)	122,709
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(2,908,271)	2,589,968	(318,303)	(4,796,268)
TRANSFERS AND CAPITAL CONTRIBUTIONS:				
Transfers in	694,144	-	694,144	-
Transfers out	(285,281)	(334,584)	(619,865)	-
Capital contributions	222,071	344,069	566,140	-
TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	630,934	9,485	640,419	-
CHANGES IN NET POSITION	(2,277,337)	2,599,453	322,116	(4,796,268)
NET POSITION:				
Beginning of the year	107,295,941	75,021,959	182,317,900	24,467,727
End of the year	<u>\$ 105,018,604</u>	<u>\$ 77,621,412</u>	<u>\$ 182,640,016</u>	<u>\$ 19,671,459</u>

City of Gilroy
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities			Governmental Activities
			Total Enterprise Funds	Internal Service Funds
	Sewer	Water		
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 13,017,435	\$ 14,122,482	\$ 27,139,917	\$ 29,218,313
Cash paid to suppliers for goods and services	(9,834,414)	(9,225,099)	(19,059,513)	(26,679,282)
Cash paid to employees for services	(1,228,760)	(1,763,861)	(2,992,621)	(6,087)
Cash paid for insurance claims	-	-	-	(3,808,700)
Net Cash Provided by (Used in) Operating Activities	<u>1,954,261</u>	<u>3,133,522</u>	<u>5,087,783</u>	<u>(1,275,756)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other governments	258,030	156,922	414,952	-
Cash received from (paid to) other funds	408,863	(334,584)	74,279	1,142,412
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>666,893</u>	<u>(177,662)</u>	<u>489,231</u>	<u>1,142,412</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	(385,430)	(385,430)	(1,508,138)
Contributions to DCU	(10,606,343)	-	(10,606,343)	-
Principal paid	(2,380,000)	-	(2,380,000)	-
Interest paid	(1,080,301)	-	(1,080,301)	-
Net Cash (Used in) Capital and Related Financing Activities	<u>(14,066,644)</u>	<u>(385,430)</u>	<u>(14,452,074)</u>	<u>(1,508,138)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income (loss)	(270,217)	(611,691)	(881,908)	121,963
Net Cash (Used in) Provided by Investing Activities	<u>(270,217)</u>	<u>(611,691)</u>	<u>(881,908)</u>	<u>121,963</u>
Net Change In Cash and Cash Equivalents	<u>(11,715,707)</u>	<u>1,958,739</u>	<u>(9,756,968)</u>	<u>(1,519,519)</u>
CASH AND CASH EQUIVALENTS:				
Beginning of year	73,945,315	26,944,329	100,889,644	21,933,257
End of year	<u>\$ 62,229,608</u>	<u>\$ 28,903,068</u>	<u>\$ 91,132,676</u>	<u>\$ 20,413,738</u>
CASH AND CASH EQUIVALENTS:				
Cash and investments	\$ 17,717,488	\$ 28,903,068	\$ 46,620,556	\$ 20,413,738
Cash and investments with fiscal agent	44,512,120	-	44,512,120	-
Total cash and cash equivalents	<u>\$ 62,229,608</u>	<u>\$ 28,903,068</u>	<u>\$ 91,132,676</u>	<u>\$ 20,413,738</u>

City of Gilroy
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to				
Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 1,572,924	\$ 3,044,737	\$ 4,617,661	\$ (4,918,977)
Adjustments to reconcile to net cash provided by				
Operating activities:				
Depreciation	1,510,639	1,385,429	2,896,068	699,685
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	105,322	148,813	254,135	(6,330)
(Increase)/decrease in lease receivables	-	-	-	(799,819)
(Increase)/decrease in inventory of materials	-	310,497	310,497	43,575
(Increase)/decrease in prepaid items	-	-	-	(73,591)
(Increase)/decrease in deferred outflows of resources related to pensions	420,310	442,063	862,373	-
(Increase)/decrease in deferred outflows of resources related to OPEB	27,077	88,507	115,584	-
Increase/(decrease) in accounts payable	(5,864)	9,964	4,100	(270,262)
Increase/(decrease) in accrued liabilities	15,839	45,412	61,251	941,483
Increase/(decrease) in deposits payable	-	(2,057)	(2,057)	4,276
Increase/(decrease) in compensated absences	6,147	(24,999)	(18,852)	2,597
Increase/(decrease) in claims payable	-	-	-	2,332,472
Increase/(decrease) in net pension liabilities	(3,425,366)	(3,493,151)	(6,918,517)	-
Increase/(decrease) in net OPEB liabilities	48,842	(263,585)	(214,743)	-
Increase/(decrease) in deferred inflows of resources related to lease related	-	-	-	769,135
Increase/(decrease) in deferred inflows of resources related to pensions	1,580,041	1,381,228	2,961,269	-
Increase/(decrease) in deferred inflows of resources related to OPEB	98,350	60,664	159,014	-
Net Cash Provided by (Used in) Operating Activities	\$ 1,954,261	\$ 3,133,522	\$ 5,087,783	\$ (1,275,756)
Noncash Financing, capital or Investing activities:				
City share of DCU net loss	\$ (3,129,207)	\$ -	\$ -	\$ -
Capital asset contributions	\$ 222,071	\$ 344,069	\$ 566,140	\$ -

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Gilroy
Statement of Fiduciary Net Position
Fiduciary Funds
As of June 30, 2022

	Custodial Funds
ASSETS	
Cash and investments	\$ 839,746
Cash and investments with fiscal agent	290,688
Total assets	<u>1,130,434</u>
NET POSITION	
Restricted For:	
Individuals, organizations and other governments	<u>1,130,434</u>
Total net position	<u><u>\$ 1,130,434</u></u>

City of Gilroy
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Custodial Funds
ADDITIONS:	
Taxes	\$ 922,700
Investment income	163
Other income	500
Total additions	<u>923,363</u>
DEDUCTIONS:	
General administration	15,357
Payments on conduit bonds - principal	774,579
Payments on conduit bonds - interest	110,034
Total deductions	<u>899,970</u>
CHANGE IN NET POSITION	23,393
NET POSITION:	
Beginning of year	<u>1,107,041</u>
End of year	<u><u>\$ 1,130,434</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Gilroy
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For the Year Ended June 30, 2022

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City of Gilroy
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For the Year Ended June 30, 2022

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City of Gilroy
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Gilroy, California, (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City’s significant policies:

A. Description of the Reporting Entity

The City was incorporated in 1870 under the general laws of the State of California and became a charter city on January 8, 1960. The City operates under the Council-Administrator form of government. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization’s governing body and the organization is able to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City’s financial statements to be misleading or incomplete.

The **Gilroy Public Facilities Financing Authority** is considered to be a blended component unit of the reporting entity of the City because its sole purpose is to finance and construct the City’s public facilities. Blended component units, although legally separate entities, are in substance, part of the City’s operations and so data from these units are reported within the funds of the primary government. The Gilroy Public Facilities Financing Authority does not issue separate component unit financial statements.

Discretely Presented Component Unit (“DCU”)

The **South County Regional Wastewater Authority (“Authority”)** was created on July 1, 1992 by the City of Gilroy and City of Morgan Hill (“Member Agencies”). The purpose of the Authority is to plan and implement regional solutions to the wastewater treatment and management problems resulting from the generation of wastewater within the service areas of the Member Agencies. To achieve this purpose, the Authority constructs, maintains and operates facilities for sewage treatment and wastewater reclamation. The City of Gilroy and the City of Morgan Hill have a 58.1% and 41.9% capacity interest in the wastewater treatment plant, respectively which is used to determine the capital contribution amounts by the Member Agencies and the pro-rata share of the Authority’s income (loss).

The Authority is governed by a Board of Directors, which consists of three members from the Gilroy City Council and two members from the Morgan Hill City Council. The Authority’s budget and annual contribution requirements are approved by the Board of Directors of the Authority. The City’s management provides accounting services, engineering services and administrative support to the Authority. Daily operations of the Authority have been contracted directly to a private provider of services for wastewater management and operations. The Authority is presented in a separate column to emphasize that it is legally separate from the City but provides a financial benefit to the City. Debt issued by the Authority requires approval by the City, and the City approves the budget of the Authority.

Complete financial statements of the Authority can be obtained from the City’s administrative offices.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Description of the Reporting Entity (Continued)

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the reporting government as a whole, except for its fiduciary activities. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, net position/fund balance, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. The DCU column in the government-wide statement of net position and statement activities includes the financial data of the Authority. The City's equity investment in the Authority is reported in the Sewer Fund as an Equity Investment in the DCU and is adjusted annually using the equity method of accounting.

Fiduciary activities of the City are not included in the Government-Wide statements.

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences between fund balance as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recognized as soon as they are both "measurable" and "available". Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

General Fund - The General Fund is used to account for resources traditionally associated with governments which are not required by law or sound financial management to be accounted for in another fund.

Public Facilities Impact Capital Projects Fund - This fund has been established to track expenditures related to the construction of facilities for public use.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City's internal service funds include three individual funds which provide services directly to other City funds. These areas of service include - Fleet and Facilities, Information Technology, and Self-Insurance.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major enterprise fund:

Sewer Fund - This fund is used to account for sewage stations and collection systems provided by the City to the public.

Water Fund - This fund is used to account for water services provided by the City to the public.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. These funds have been established to account for assets received and held by the City while acting in the capacity of an agent or custodian.

The City reports the following custodial funds:

Custodial Funds – These funds account for resources held by the City in custodial capacity for special assessments collected to pay the bonded indebtedness for the Highway 152 Series Bonds and for the revenues that come from fundraising and donations used to buy equipment for the Senior Center.

Discretely Presented Component Unit Financial Statements

The activities of the Authority closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. The Authority provides services on a continuous basis and its activities are substantially financed by revenues derived from user charges and contributions from the member agencies. The Authority utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

C. Cash and Investments

The City pools its available cash for investment purposes. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash and Investments (Continued)

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets and liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets and liabilities at the measurement date.

A statement of cash flows is presented for proprietary fund types. For purposes of reporting cash flows, the City considers all highly liquid investments with maturities of three months or less when purchased and cash and investments maintained in the City’s pool to be cash equivalents.

Disclosures for deposits and investment risks, as required and applicable, have been provided in Note 2:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk

D. Interfund Loans Receivable and Payable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., current portion of interfund loans) or advances to/from other fund (i.e., non-current interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “interfund balances”.

E. Accounts Receivable and Due from Other Governments

All accounts receivable and due from other governments are shown net of any allowance for doubtful accounts, if applicable, and estimated refunds due.

F. Loans Receivable

The accompanying financial statements reflect the recording of certain loans receivable that represent loans made to various parties for homebuyer and rehabilitation loan programs. Where reasonably estimable, an allowance for doubtful accounts has been recorded to reflect management’s best estimate of probable losses associated with nonrepayment.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Land Held for Resale

Land held for resale represents land, structures, and their related improvements acquired for resale. The current land held for resale includes a multi-family residential project which was acquired via foreclosure process by the Housing Trust Fund and converted to affordable rental units and is recorded at the lower of cost or net realizable value and is evaluated for impairment on an annual basis.. The City intends to sell the property to a non-profit affordable housing developer to rehabilitate the existing facility and maintain it as affordable housing units.

H. Leases

Lessor

The City is a lessor for leases of buildings and land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the average of the LAIF rate and the incremental borrowing rate (IBR) provided by our financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at acquisition value at the date of the contribution. Generally, capital asset purchases in excess of \$10,000 are capitalized if they have an expected useful life of more than one year. Capital assets include all public domain (infrastructure) assets consisting of certain improvements including roads, streets, sidewalks, medians and storm drains.

The following schedule summarizes capital asset useful lives:

Buildings and improvements	40 years
Machinery and equipment	5 - 25 years
Furniture and fixtures	10 - 20 years
Vehicles	8 years
Infrastructure	5 - 70 years

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

J. Deferred Outflows/Inflows of Resources

The statement of financial position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that applies to future periods and that, therefore, will not be recognized as an expense until that time. The City reports pension contributions after the measurement date and deferred losses related to pensions and OPEB in this category.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that applies to future periods and that, therefore, are not recognized as revenue until that time. The City reports lease related inflows, unavailable revenues and deferred gains related to pensions and OPEB in this category.

K. Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities. In the fund financial statements, only proprietary fund and private-purpose trust fund types recognize the interest payable when the liability is incurred.

L. Unearned Revenue

Unearned revenue is reported for transactions for which revenue has been received but has not yet been earned. Unearned revenues primarily consist of prepaid charges for services and grant allocations, primarily for American Rescue Plan Act funding, which have not yet been spent.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Compensated Absences

All full-time employees accumulate vacation benefits in varying annual amounts. Sick leave benefits accrue at the rate of one day per month for all full-time employees (except fire shift employees who accrue 12 hours of sick leave per month) regardless of their length of service to the City. Upon termination or retirement, employees are paid for all unused vacation time and overtime. No cash payment is made for unused sick leave upon termination or retirement.

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

If material, a proprietary fund liability is accrued for all leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year-end. All other amounts are recorded in the government-wide financial statements. These noncurrent amounts will be recorded as fund expenditures in the year in which they are paid or become due.

N. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Other Postemployment Benefits Liability (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the City's OPEB plan have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

P. Claims Payable

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City's self-insurance activity.

Q. Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and related deferred charges on refunding, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those items, net of unspent debt proceeds.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Separate line items are used to distinguish among major categories of restrictions and are further displayed as expendable or nonexpendable based on the nature of the restriction.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

R. Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City's nonspendable fund balance represents inventory, prepaid expenses, land held for resale, and loans receivable unless the proceeds from the collection of those loans receivable or from sale of the properties is restricted, committed, or assigned.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Fund Balances (Continued)

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council, as the City's highest level of decision-making authority, may commit, through a resolution, fund balance for specific purposes pursuant to constraints imposed by such formal actions taken. Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action taken to establish the commitment.

Assigned fund balance consists of funds that are set aside for specific purposes by the City's highest level of decision-making authority or a body or official that has been given the authority to assign funds. The City has not adopted a policy on the authority to assign amounts for specific purposes.

Unassigned fund balance is the residual classification for the City's fund balance and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

S. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance:

- Committed
- Assigned
- Unassigned

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Property Taxes

Property taxes in the State of California are administered for all local agencies at the County level, and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations - are established by the Assessor of the County of Santa Clara for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax Levies - are limited to 1% of full market value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates - are attached annually on March 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections - are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property may be paid in two installments. The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10, and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

Tax Levy Apportionments - Due to the nature of the City-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees - The State of California fiscal year 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

U. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Implementation of New GASB Pronouncements

During fiscal year ended June 30, 2022, the City implemented the following new GASB Pronouncement:

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this Statement had a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre–November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 93 – In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Implementation of New GASB Pronouncements (Continued)

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

Note 2 – Stewardship, Compliance and Accountability

A. Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, and similar governmental funds. Encumbrances outstanding at fiscal year-end are reported as committed or assigned fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in-process at fiscal year-end are completed. They do not constitute expenditures or estimated liabilities. The significant amounts of encumbrances outstanding as of June 30, 2022 was \$10,067,847.

B. Continuing Appropriations

The unexpended and unencumbered appropriations that are available and recommended for continuation are approved by the City Council for carryover to the following fiscal year. These commitments are reported as committed or assigned fund balance.

C. Deficit Fund Balances/Net Position

The following funds contained a deficit fund balance/net position as of June 30, 2022:

Funds	Amount
Internal Service Fund:	
Workers' Compensation Fund	\$ 2,667,145

In the Government-Wide Financial Statements, the City had a deficit unrestricted net position at June 30, 2022 for its governmental activities of \$(28,023,535) of which, \$(53,134,868) and \$(14,978,632) were attributed to aggregate net pension liabilities and net other postemployment benefits liabilities, respectively.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Stewardship, Compliance and Accountability (Continued)

D. Excess of Expenditure Over Appropriations

The following funds contained excess of expenditures over final appropriations for the year ended June 30, 2022:

Funds	Appropriations	Expenditures	Excess
Nonmajor Funds:			
Special Revenue Funds:			
Public Safety Grants Fund	\$ 677,821	\$ 957,847	\$ (280,026)
Housing Trust Fund	618,325	636,489	(18,164)
Community Facilities District Fund	364,683	381,856	(17,173)
Debt Service Fund:			
Gilroy Community Library Fund	1,835,590	1,840,725	(5,135)

Note 3 – Cash and Investments

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. The City had the following cash and investments at June 30, 2022:

	Government-Wide Statement of Net Position			Statement of	Total
	Governmental Activities	Business-type Activities	Component Unit	Fiduciary Net Position	
Cash and investments	\$ 128,734,374	\$ 46,620,556	\$ 10,758,715	\$ 839,746	\$ 186,953,391
Cash and investment with fiscal agent	2,904,426	44,512,120	-	290,688	47,707,234
Total cash and investments	<u>\$ 131,638,800</u>	<u>\$ 91,132,676</u>	<u>\$ 10,758,715</u>	<u>\$ 1,130,434</u>	<u>\$ 234,660,625</u>

The City's cash and investments at June 30, 2022 in more detail:

Cash and cash equivalents:	
Demand deposits	\$ 25,006,014
Petty cash	4,955
Total cash and cash equivalents	<u>25,010,969</u>
Investments:	
Local Agency Investment Fund	161,942,422
Investments with Fiscal Agent:	
Investment Agreement	2,621,000
Money Market Mutual Fund	45,086,234
Total investments	<u>209,649,656</u>
Total cash and investments	<u>\$ 234,660,625</u>

A. Demand Deposits

The carrying amount of the City's demand deposits were \$25,006,014 at June 30, 2022. Bank balances before reconciling items were \$25,721,437 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

A. Demand Deposits (Continued)

Thus, collateral for cash deposits is considered to be held in the City's name. The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City, however, has not waived the collateralization requirements.

B. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table below does not identify investment types that are authorized and held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	N/A	None	None
U.S. Government Sponsored Agency Securities	N/A	None	None
Insured Certificate of Deposit (CD's)	N/A	15%	\$250,000
Banker's Acceptances	N/A	15%	None
Commercial Paper	N/A	10%	None
Passbook Savings or Money Market Demand Deposits	N/A	None	None
Money Market Mutual Funds	N/A	5%	None

Liquidity:

*Securities or bonds purchased under a prior investment policy may be held or sold but additional purchases shall not be made.

N/A- Not applicable

C. Fair Value Measurements

At June 30, 2022, investments are reported at fair value. Investments in investment contracts are valued at cost and exempt from the fair value hierarchy. Investments that are measured at fair value using the net asset value (NAV) per share are not classified in the fair value hierarchy. The City values investments in money market mutual funds at NAV based on amortized cost. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2022:

Primary Government	Total	N/A
Local Agency Investment Fund	\$ 151,777,202	\$ 151,777,202
Investment Agreement	2,621,000	2,621,000
Total Investments	\$ 154,398,202	\$ 154,398,202
Component Unit	Total	N/A
Local Agency Investment Fund	\$ 10,165,220	\$ 10,165,220
Total Investments	\$ 10,165,220	\$ 10,165,220

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

C. Fair Value Measurements (Continued)

Investments measured at the net asset value (NAV)	
Money Market Mutual Funds	\$ 45,086,234
Total investments measured at the net asset value (NAV)	<u>\$ 45,086,234</u>

D. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is as follows:

Investment Type	Total	Remaining Maturity (in Months)	
		12 Months or less	More than 12 Months
Local Agency Investment Fund	\$ 161,942,422	\$ 161,942,422	\$ -
Investment Agreement	2,621,000	2,621,000	-
Money Market Mutual Funds	45,086,234	45,086,234	-
Total	<u>\$ 209,649,656</u>	<u>\$ 209,649,656</u>	<u>\$ -</u>

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy or debt agreements, and the actual rating by Standard & Poor's as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating
Local Agency Investment Fund	\$ 161,942,422	N/A
Investment Agreement	2,621,000	A1
Money Market Mutual Funds	45,086,234	N/A
Total	<u>\$ 209,649,656</u>	

F. Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total City investments. The money market funds held with fiscal agents are related to bond issuances and reserves and not subject to the limitation set by California Government Code.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments (Continued)

G. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

For investments identified herein as held by fiscal agent, the trustee selects the investment under the terms of the applicable trust agreement, acquires the investment and holds the investment on behalf of the reporting government.

H. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund ("LAIF") that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The City investments in LAIF at June 30, 2022 included a portion of pool funds invested in Structured Notes and Asset-Backed Securities.

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2022, the City and DCU had \$151,777,202 and \$10,165,220 invested in LAIF, respectively, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities.

I. Investment Agreement

The City has entered into nonparticipating investment contracts (GICs), which are authorized under bond documents as outlined in the City's investment policy or the debt agreement. GICs are non-marketable interest-bearing agreements with or guaranteed by certain financial institutions. The agreements provide for a guaranteed return on principal over a specified period. A GIC is a general obligation instrument issued by a financial institution, subject to applicable legal restrictions. The Fund's investments in GICs represent proceeds from bond issues that have been set aside (held for the benefit of the bondholders) as debt service reserves. The investment contract is held long-term and bears interest rate at 3.31%. The investment contract is collateralized by investments, with \$2,621,000 collateralized at 104%.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 4 – Loans Receivable

At June 30, 2022, loans receivable consisted of the following:

	Government Wide Financial Statements Governmental Activities
Down payment assistance	\$ 1,560,584
Housing improvement to non-profits	450,000
Involuntary liens	131,345
Affordable housing development loans	790,000
Housing rehabilitation	206,316
Total loans receivable	<u>\$ 3,138,245</u>

The City made deferred loans to senior citizens, the physically handicapped, and low to moderate income residents for the purposes of rehabilitation and down payment assistance. These loans are repaid at the end of a 30 year term or when the title to the property changes. The City also made deferred loans to third party housing non-profits to fund housing projects which are due the earlier of 55 years after completion of the projects or December 31, 2074. Where reasonably estimable, an allowance for doubtful accounts has been recorded to reflect management's best estimate of probable losses associated with nonrepayment. Estimates of any additional potential losses associated with nonrepayment cannot be reasonably estimated at this time.

Note 5 - Interfund Transactions

A. Due to/from Other Funds

The following is a summary of advances to and from other funds as of June 30, 2022:

	Due From Other Funds	
Due To Other Funds	General Fund	Total
Nonmajor Governmental Funds	\$ 312,754	\$ 312,754
Total	<u>\$ 312,754</u>	<u>\$ 312,754</u>

B. Advances to/from Other Funds

The following is a summary of advances to and from other funds as of June 30, 2022:

	Advances from Other Funds		
Advances to Other Funds	Nonmajor Governmental Funds	Internal Service Fund	Total
Public Facilities Impact Capital Projects Fund	\$ 1,955,153	\$ 2,748,630	\$ 4,703,783
Total	<u>\$ 1,955,153</u>	<u>\$ 2,748,630</u>	<u>\$ 4,703,783</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 5 – Interfund Transactions (Continued)

B. Advances to/from Other Funds(Continued)

In February 2008, the City purchased the Gilroy Gardens Property (Property), which includes a horticultural education and theme park, for approximately \$13.7 million. At the same time, the City entered into a single tenant lease of the Property with the seller, Gilroy Gardens Family Theme Park, Inc. To fund the acquisition, the Public Facilities Impact Fund borrowed from certain funds which is accounted for as a long-term advance for a period of 20 years. The annual loan activity is budgeted through revenue and expenditure transactions. The loan interest is at the City's annual average portfolio yield. The original loan amounts were as follows: Storm Drain Fund (\$1.2 million), the Sewer Development Fund (\$5.0 million), the Fleet Services Fund (\$4.3 million), the Equipment Outlay Fund (\$2.2 million) and the Water Fund (\$1.0 million).

C. Transfers

During the year ended June 30, 2022, the City had the following transfers:

	Transfers Out					Total
	General Fund ¹	Public Facilities Impact Capital Projects Fund ²	Nonmajor Governmental Funds ³	Sewer Enterprise Fund ⁴	Water Enterprise Fund ⁴	
Transfers In						
General Fund	\$ 1,787,327	\$ -	\$ 372,660	\$ 285,281	\$ 334,584	\$ 2,779,852
Public Facilities Impact Capital Projects Fund	40,763	-	-	-	-	40,763
Nonmajor Governmental Funds	215,379	3,182,644	384,898	-	-	3,782,921
Sewer Enterprise Fund	-	-	694,144	-	-	694,144
Total	<u>\$ 2,043,469</u>	<u>\$ 3,182,644</u>	<u>\$ 1,451,702</u>	<u>\$ 285,281</u>	<u>\$ 334,584</u>	<u>\$ 7,297,680</u>

¹General Fund support of certain capital projects, safety related grants, and IT services.

²Public Facilities Impact Capital Projects Fund supports various debt instruments.

³Other Governmental Funds support of grant personnel costs, debt retirements and sewer development project costs.

⁴Enterprise Fund transfers to the General Fund to support fringe benefit costs and subsidize environmental costs.

D. Due to/from Component Unit

The following is a summary of due to and from the Authority as of June 30, 2022:

Due to component unit	South Regional Wastewater Authority
Sewer Enterprise Fund	\$ 1,107,862
	<u>\$ 1,107,862</u>

The amounts owed by the City to the Authority are primarily for outstanding operating and capital contributions at year end.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Lease Receivables

The City leases various types of property including land and buildings. Leases receivable consist of agreements with other entities for the “right-to-use” the underlying assets at various locations owned by the City. The remaining terms of the agreements range from 2 to 40 years. The interest rates used calculated the net present value of the lease receivable ranged from 1% to 1.5%.

For the fiscal year ended June 30, 2022, the City and DCU recognized \$324,928 and \$68,149 in lease revenue, respectively, and \$107,171 and \$248 in interest revenue, respectively, and the outstanding net present value of the lease receivable amount is \$6,649,983 for the City.

Governmental Activities

A summary of changes in lease receivable for the governmental activities for the year ended June 30, 2022 is as follows:

Balance July 1, 2021 (as restated)	Additions	Reductions	Balance June 30, 2022	Amounts due within one year	Amounts due in more than one year
\$ 6,655,595	\$ 261,820	\$ (267,432)	\$ 6,649,983	\$ 245,543	\$ 6,404,440

At June 30, 2022, the required payments for these leases, including interest, are:

	NPV leases receivables	Interest	Total lease payments
2023	\$ 245,543	\$ 105,776	\$ 351,319
2024	221,491	103,064	324,555
2025	232,778	100,236	333,014
2026	246,335	97,254	343,589
2027	197,478	94,245	291,723
2028 - 2032	963,217	427,061	1,390,278
2033 - 2037	606,612	366,968	973,580
2038 - 2042	660,120	313,460	973,580
2043 - 2047	718,347	255,233	973,580
2048 - 2052	781,710	191,870	973,580
2053 - 2057	850,663	122,917	973,580
2058 - 2062	925,689	47,883	973,572
Total	<u>\$ 6,649,983</u>	<u>\$ 2,225,967</u>	<u>\$ 8,875,950</u>

Discretely Presented Component Unit

A summary of changes in lease receivable for the discretely presented component unit for the year ended June 30, 2022 is as follows:

Balance July 1, 2021 (as restated)	Additions	Reductions	Balance June 30, 2022	Amounts due within one year	Amounts due in more than one year
\$ 129,917	\$ 49,338	\$ (89,658)	\$ 89,597	\$ 89,597	\$ -

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Capital Assets

Governmental Activities

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<i>Capital assets not being depreciated:</i>					
Land	\$ 21,334,900	\$ -	\$ -	\$ -	\$ 21,334,900
Construction in progress	7,287,489	2,249,950	(38,493)	(3,765,020)	5,733,926
Total capital assets not being depreciated	28,622,389	2,249,950	(38,493)	(3,765,020)	27,068,826
<i>Capital assets being depreciated:</i>					
Building and improvements	125,118,480	-	-	-	125,118,480
Equipment and furniture	11,132,071	408,702	(248,903)	-	11,291,870
IT equipment and software	2,642,151	95,948	-	83,088	2,821,187
Vehicle	13,534,531	148,725	(23,108)	-	13,660,148
Infrastructure	284,697,230	1,433,121	(46,751)	3,681,932	289,765,532
Total capital assets being depreciated	437,124,463	2,086,496	(318,762)	3,765,020	442,657,217
Less accumulated depreciation for:					
Building and improvements	(46,465,276)	(3,064,108)	-	-	(49,529,384)
Equipment and furniture	(8,795,916)	(483,044)	-	-	(9,278,960)
IT equipment and software	(2,423,826)	(87,332)	211,567	-	(2,299,591)
Vehicle	(9,441,945)	(526,443)	23,108	-	(9,945,280)
Infrastructure	(188,501,160)	(7,403,260)	46,751	-	(195,857,669)
Total accumulated depreciation	(255,628,123)	(11,564,187)	281,426	-	(266,910,884)
Total capital assets being depreciated, net	181,496,340	(9,477,691)	(37,336)	3,765,020	175,746,333
Total governmental activities	\$ 210,118,729	\$ (7,227,741)	\$ (75,829)	\$ -	\$ 202,815,159

Depreciation expense was charged to functions/programs of governmental activities for the year ended June 30, 2022 as follows:

General government	\$ 853,238
Public safety	1,236,286
Public works	7,616,735
Community development	1,158,243
Internal service fund	699,685
Total depreciation expense	\$ 11,564,187

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Capital Assets (Continued)

Business-Type Activities

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<i>Capital assets not being depreciated:</i>					
Construction in progress	\$ 108,139	\$ -	\$ -	\$ -	\$ 108,139
Total capital assets not being depreciated	108,139	-	-	-	108,139
<i>Capital assets being depreciated:</i>					
Land improvements	427,852	-	-	-	427,852
Equipment and furniture	212,630	-	-	-	212,630
IT Equipment/software	-	15,000	-	-	15,000
Vehicles	213,353	-	-	-	213,353
Infrastructure	155,763,712	936,570	-	-	156,700,282
Total capital assets being depreciated	156,617,547	951,570	-	-	157,569,117
Less accumulated depreciation for:					
Land improvements	(427,853)	-	-	-	(427,853)
Equipment and furniture	(196,895)	(2,737)	-	-	(199,632)
IT Equipment/software	-	(1,250)	-	-	(1,250)
Vehicles	(18,965)	(14,224)	-	-	(33,189)
Infrastructure	(70,166,759)	(2,877,857)	-	-	(73,044,616)
Total accumulated depreciation	(70,810,472)	(2,896,068)	-	-	(73,706,540)
Total capital assets being depreciated, net	85,807,075	(1,944,498)	-	-	83,862,577
Total business-type activities	\$ 85,915,214	\$ (1,944,498)	\$ -	\$ -	\$ 83,970,716

Depreciation expense was charged to the business-type activities as follows:

Sewer	\$ 1,510,639
Water	1,385,429
Total depreciation expense	\$ 2,896,068

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Capital Assets (Continued)

Discretely Presented Component Unit

The following is a summary of changes in capital assets for the DCU for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<i>Capital assets not being depreciated:</i>					
Land	\$ 13,396,202	\$ -	\$ -	\$ -	\$ 13,396,202
Construction in progress	14,415,091	20,842,221	-	-	35,257,312
Total capital assets not being depreciated	<u>27,811,293</u>	<u>20,842,221</u>	<u>-</u>	<u>-</u>	<u>48,653,514</u>
<i>Capital assets being depreciated:</i>					
Building and improvements	72,257,749	-	-		72,257,749
Land improvements	10,681,371	-	-	-	10,681,371
Equipment and furnitures	19,964,163	117,575	-	-	20,081,738
Vehicles	1,505,201	-	-	-	1,505,201
Infrastructure	35,874,536	-	-	-	35,874,536
Total capital assets being depreciated	<u>140,283,020</u>	<u>117,575</u>	<u>-</u>	<u>-</u>	<u>140,400,595</u>
Less accumulated depreciation for:					
Building and improvements	(41,210,706)	(1,663,219)	-	-	(42,873,925)
Land improvements	(5,907,921)	(190,342)	-	-	(6,098,263)
Equipment and furniture	(8,145,084)	(909,927)	-	-	(9,055,011)
Vehicles	(1,139,461)	(34,378)	-	-	(1,173,839)
Infrastructure	(16,646,124)	(1,645,757)	-	-	(18,291,881)
Total accumulated depreciation	<u>(73,049,296)</u>	<u>(4,443,623)</u>	<u>-</u>	<u>-</u>	<u>(77,492,919)</u>
Total capital assets being depreciated, net	<u>67,233,724</u>	<u>(4,326,048)</u>	<u>-</u>	<u>-</u>	<u>62,907,676</u>
Total governmental activities	<u><u>\$ 95,045,017</u></u>	<u><u>\$ 16,516,173</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 111,561,190</u></u>

Note 8 – Equity Investment in DCU

The City and the City of Morgan Hill are members of the South County Regional Wastewater Authority, a joint powers authority (“Authority”), that provides for the construction, ownership, maintenance and operation of a domestic sewer treatment plant. The agreement provides for the participants’ capacity right to use the system. The participants are also obligated to share in the annual direct operating costs of the Authority. The City maintains the accounting records for the Authority. The City’s equity investment in the DCU is reported on the statement of net position of the City’s sewer enterprise fund as an “equity investment in DCU” in the amount of \$74,480,304 as required under the equity method of accounting for investments. The financial statements of the Authority can be obtained from the City’s finance department.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Deferred Compensation

The City maintains a deferred compensation plan under Section 457 of the Internal Revenue Code (IRC) for the benefit of its employees. The plan allows the employees to defer or postpone the taxation of a designated amount of earnings set aside for retirement.

The City has a fiduciary responsibility to safeguard the assets of the program and to ensure that the plan is properly maintained by the plan administrator. Generally speaking, assets are available to participants only upon termination of employment with the City, retirement, death or disability. The City has placed the plan assets into a trust for the exclusive benefit of plan participants and their beneficiaries. Accordingly, all plan assets have been excluded from the accompanying financial statements.

Note 10 – Long-Term Liabilities

A. Governmental Activities

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2022:

	Balance			Balance	Classification	
	June 30, 2021	Additions	Deletions	June 30, 2022	Due within One Year	Due in more than One Year
Governmental Activities:						
Refunding Lease Revenue Bonds:						
2013 Series	\$ 17,210,000	\$ -	\$ (990,000)	\$ 16,220,000	\$ 1,035,000	\$ 15,185,000
2020A Series	12,950,000	-	(715,000)	12,235,000	755,000	11,480,000
Unamortized premium	3,177,681	-	(266,120)	2,911,561	266,120	2,645,441
Loan payable	765,917	-	(92,433)	673,484	93,359	580,125
Direct borrowings and placement						
General Obligation Bonds:						
Library 2019A Series	8,015,792	-	(337,143)	7,678,649	347,829	7,330,820
Library 2019B Series	17,623,854	-	(685,553)	16,938,301	707,776	16,230,525
Total long-term debt	59,743,244	-	(3,086,249)	56,656,995	3,205,084	53,451,911
Other long-term liabilities						
Claims payable	6,358,812	5,349,924	(3,017,452)	8,691,284	1,696,997	6,994,287
Compensated absences	1,938,644	1,533,749	(1,577,081)	1,847,014	237,289	1,609,725
Total long-term liabilities	\$ 68,040,700	\$ 6,883,673	\$ (7,680,782)	\$ 67,195,293	\$ 5,139,370	\$ 62,055,923

Refunding Lease Revenue Bonds (LRBs) 2013 Series

On July 25, 2013, the City refinanced its 2010 BANs by issuing Refunding Revenue Bonds, in the amount of \$23,120,000. The proceeds from the issue were used to redeem the 2010 BANs.

Interest on the bonds is payable semiannually at rates ranging from 3.00% to 5.25% on May 1 and November 1 of each year commencing on November 1, 2013, and the Bonds mature on November 1, 2033. The principal balance of outstanding bonds at June 30, 2022 was \$16,220,000.

The reserve requirement at June 30, 2022 was \$920,222, and the actual reserve was \$920,922.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

The annual debt service requirements to maturity for the Refunding LRBs 2013 Series are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 1,035,000	\$ 805,156	\$ 1,840,156
2024	1,080,000	760,044	1,840,044
2025	1,130,000	710,444	1,840,444
2026	1,175,000	662,875	1,837,875
2027	1,225,000	611,109	1,836,109
2028-2032	7,110,000	2,079,994	9,189,994
2033-2034	3,465,000	211,050	3,676,050
Total	<u>\$ 16,220,000</u>	<u>\$ 5,840,672</u>	<u>\$ 22,060,672</u>

Refunding Lease Revenue Bonds (LRBs) 2020A Series

On August 1, 2020, the Gilroy Public Facilities Financing Authority issued its Series 2020A Lease Revenue Refunding Bonds in the amount of \$13,740,000. The bonds were issued at a premium of \$2,719,825 which was deferred and will be amortized over the life of the bonds. The proceeds from the issuance were used to refund the outstanding Series 2010 Refunding LRBs and to pay the costs incurred in connection with the issuance of the 2020A bonds.

Interest on the bonds is payable semiannually at rates ranging from 1.21% to 2.08% on May 1 and November 1 of each year commencing on November 1, 2020, and the Bonds mature on November 1, 2033. The principal balance of outstanding bonds at June 30, 2022 was \$12,235,000.

The annual debt service requirements to maturity for the Refunding Lease Revenue Bonds 2020A Series are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 755,000	\$ 592,875	\$ 1,347,875
2024	795,000	554,125	1,349,125
2025	840,000	513,250	1,353,250
2026	880,000	470,250	1,350,250
2028	925,000	425,125	1,350,125
2028-2032	5,455,000	1,353,625	6,808,625
2033-2034	2,585,000	130,875	2,715,875
Total	<u>\$ 12,235,000</u>	<u>\$ 4,040,125</u>	<u>\$ 16,275,125</u>

Loan Payable

The City entered into a loan agreement with the California Energy Commission (CEC) to provide funds to install equipment for energy conservation. Under the original loan agreement the City was authorized to borrow up to \$1,812,722 with interest at 1% per annum, semiannual payments to be paid commencing December following the year the project was completed. The City borrowed a total of \$1,201,155 with semiannual payments of interest and principal of \$49,931 with the first payment occurring on December 27, 2016. The final payment will be on June 22, 2029. The principal balance of outstanding at June 30, 2022 was \$673,484.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Loan Payable (Continued)

The annual debt service requirements to maturity for the loan is as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 93,359	\$ 6,503	\$ 99,862
2024	94,281	5,581	99,862
2025	95,240	4,622	99,862
2026	96,195	3,667	99,862
2027	97,159	2,702	99,861
2028-2029	197,250	2,477	199,727
Total	<u>\$ 673,484</u>	<u>\$ 25,552</u>	<u>\$ 699,036</u>

General Obligation Bonds (Gilroy Community Library Project) 2019 Refunding Bonds, Series A

On June 26, 2019, the City issued General Obligation Refunding Bonds 2019 Series A through a private placement, in the amount of \$8,633,538. The proceeds from the issue were used to currently refund the General Obligation Bonds Series 2009. The City's refunding of the 2009 General Obligation Bonds resulted in an economic gain (difference between the present value of the old and new debt) of \$1,447,576 and an aggregate savings in debt service between the refunding debt and the refunded debt of \$1,966,116.

Interest on the bonds is payable semiannually at 3.12% on February 1 of each year commencing on February 1, 2021. The Bonds mature on February 1, 2039. The bonds are payable solely from ad valorem property taxes levied by the City and collected by the County. The principal balance of outstanding bonds at June 30, 2022 was \$7,678,649.

The annual debt service requirements to maturity for the General Obligation Refunding Bonds, 2019 Series A are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 347,829	\$ 239,574	\$ 587,403
2024	358,853	228,722	587,575
2025	370,226	217,525	587,751
2026	381,960	205,974	587,934
2027	394,066	194,057	588,123
2028-2032	2,165,786	777,882	2,943,668
2033-2037	2,531,459	417,913	2,949,372
2038-2039	1,128,470	53,087	1,181,557
Total	<u>\$ 7,678,649</u>	<u>\$ 2,334,734</u>	<u>\$ 10,013,383</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

General Obligation Bonds (Gilroy Community Library Project) 2019 Refunding Bonds, Series B

On November 5, 2019, the City issued General Obligation Refunding Bonds 2019 Series B through a private placement, in the amount of \$19,087,551. The proceeds from the issue were used to currently refund the General Obligation Bonds Series 2010. The City's refunding of the 2010 General Obligation Bonds resulted in an economic gain (difference between the present value of the old and new debt) of \$3,430,633 and an aggregate savings in debt service between the refunding debt and the refunded debt of \$2,525,981.

Interest on the bonds is payable semiannually at a rate of 3.19% on February 1 of each year commencing on February 1, 2020. The Bonds mature on February 1, 2040. The bonds are payable solely from ad valorem property taxes levied by the City and collected by the County. The principal balance of outstanding bonds at June 30, 2022 was \$16,938,301.

The annual debt service requirements to maturity for the General Obligation Refunding Bonds, 2019 Series B are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 707,776	\$ 540,332	\$ 1,248,108
2024	730,720	517,754	1,248,474
2025	754,408	494,444	1,248,852
2026	778,864	470,378	1,249,242
2027	804,112	445,532	1,249,644
2028-2032	4,428,880	1,825,854	6,254,734
2033-2037	5,194,814	1,072,140	6,266,954
2038-2040	3,538,727	228,171	3,766,898
Total	<u>\$ 16,938,301</u>	<u>\$ 5,594,605</u>	<u>\$ 22,532,906</u>

B. Business-Type Activities

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Classification	
					Due within One Year	Due in more than One Year
Other debt:						
2010 Wastewater Revenue Bonds	\$ 4,820,000	\$ -	\$ (2,380,000)	\$ 2,440,000	\$ 2,440,000	\$ -
2021 Wastewater Revenue Bonds	47,080,000	-	-	47,080,000	-	47,080,000
Unamortized premium	5,965,509	-	(392,001)	5,573,508	-	5,573,508
	<u>57,865,509</u>	<u>-</u>	<u>(2,772,001)</u>	<u>55,093,508</u>	<u>2,440,000</u>	<u>52,653,508</u>
Other long-term liabilities						
Compensated absences	251,670	193,330	(221,069)	232,818	23,282	209,536
	<u>\$ 58,117,179</u>	<u>\$ 193,330</u>	<u>\$ (2,993,070)</u>	<u>\$ 55,326,326</u>	<u>\$ 2,463,282</u>	<u>\$ 52,863,044</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2010 Wastewater Revenue Refunding Bonds

On March 1, 2010, the City issued revenue refunding bonds in the amount of \$23,375,000. The bonds were issued to refinance an existing installment payment obligation of the City. The City had originally structured the sewer revenue bonds through the Authority. The structure consisted of a pledge of an installment sale from the City to the Authority as the collateral for the revenue bonds issued by the Authority.

As part of the March 2010 refunding, the City issued new debt to refund the Authority bonds. The outstanding balance of the new debt is reported in the Sewer Fund. The City's covenants require the City to maintain sufficient net sewer revenues to pay the outstanding debt. The Authority does not have responsibility to set rates to meet these covenants.

The bonds are payable from the net revenues of the City's Sewer Fund pledged as security for the debt. Interest on the bonds is payable at rates ranging from 3.0% to 5.0%. Principal payments range from \$1,465,000 to \$2,440,000 payable on August 1 of each year beginning in 2011 and maturing in 2022. The principal balance of outstanding bonds at June 30, 2022 was \$2,440,000.

Covenants within the bonds require the City to maintain insurance on the facility, establish wastewater rates, exclusive of sewer development fees, which are sufficient to pay the City's share of the operating costs of the Authority, maintain reserves, provide net revenues equal to at least 1.2 times the annual debt service amounts.

The reserve requirement at June 30, 2022 was \$2,621,000, and the actual reserve was \$2,621,000.

The annual debt service requirements (principal and interest) to maturity for the 2010 Wastewater Revenue Refunding Bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 2,440,000	\$ 61,000	\$ 2,501,000
Total	\$ 2,440,000	\$ 61,000	\$ 2,501,000

2021A Wastewater Revenue Bonds

On June 30, 2021, the Gilroy Public Facilities Financing Authority issued revenue bonds in the amount of \$47,080,000. The bonds were issued to finance the City's portion of certain improvements to the Authority's treatment facility.

The bonds are payable from revenues consisting primarily of installment payments payable by the City under an installment purchase agreement. The obligation of the city to make installment payments is a special obligation of the City payable solely from and secured by a pledge of net wastewater revenues of the City's wastewater system on a parity with the City's obligation to pay installment payments that secure the 2010 Wastewater Revenue Bonds. Interest on the bonds is payable at rates ranging from 3.0% to 4.0%. Principal payments range from \$725,000 to \$2,210,000 payable on August 1 of each year beginning in 2023 and maturing in 2057. The principal balance of outstanding bonds at June 30, 2022 was \$47,080,000.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2021A Wastewater Revenue Bonds (Continued)

The annual debt service requirements (principal and interest) to maturity for the 2021A Wastewater Revenue Bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ -	\$ 1,533,500	\$ 1,533,500
2024	725,000	1,519,000	2,244,000
2025	755,000	1,489,400	2,244,400
2026	785,000	1,458,600	2,243,600
2027	815,000	1,426,600	2,241,600
2028-2032	4,615,000	6,605,000	11,220,000
2033-2037	5,630,000	5,589,175	11,219,175
2038-2042	6,650,000	4,576,500	11,226,500
2043-2047	7,720,000	3,500,700	11,220,700
2048-2052	8,970,000	2,251,050	11,221,050
2053-2057	10,415,000	799,875	11,214,875
Total	<u>\$ 47,080,000</u>	<u>\$ 30,749,400</u>	<u>\$ 77,829,400</u>

C. Debt without Government Commitment

Community Facilities District No. 2000-1, Highway 152, Special Tax Bonds

In December 2002, Community Facilities District No. 2000-1 pursuant to Mello-Roos Community Facilities Act of 1982, issued \$7,185,000 of Special Tax Bonds to finance the costs associated with the construction of public facilities for interchange improvements at State Highway 152 and U.S. Highway 101 and for widening and improving Highway 152.

In September 2006, Community Facilities District No. 2000-1 pursuant to Mello-Roos Community Facilities Act of 1982, issued \$8,670,000 of Special Tax Bonds to finance the costs associated with the construction of public facilities for interchange improvements at State Highway 152 and U.S. Highway 101 and for the widening and improving Highway 152.

These bonds were refunded in July 2018 with proceeds from the issuance in a private placement of Community Facilities District No. 2000-1 (Highway 152) Special Tax Refunded Bonds, Series 2018 in the aggregate principal amount of \$7,815,860. These bonds do not constitute a debt or obligation of the City because they are payable solely from the Special Tax revenue assessed on the underlying parcels. The City is not liable for repayment but acts as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if appropriate. The outstanding principal balance as of June 30, 2022 was \$5,883,344

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Defined Benefit Pension Plans (CalPERS)

A. Summary

The following is the summary of net pension liabilities and the related deferred outflows of resources and deferred inflows of resources at June 30, 2022 and pension expenses for the year then ended:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contributions after measurement date:			
Miscellaneous	\$ 2,825,981	\$ 1,277,374	\$ 4,103,355
Safety	7,117,603	-	7,117,603
Total contributions after measurement date	9,943,584	1,277,374	11,220,958
Difference between expected and actual experience:			
Miscellaneous	62,232	28,130	90,362
Safety	1,613,039	-	1,613,039
Total difference between expected and actual experience	1,675,271	28,130	1,703,401
Total deferred outflows of resources	\$ 11,618,855	\$ 1,305,504	\$ 12,924,359
Aggregate net pension liabilities:			
Miscellaneous	\$ 16,743,973	\$ 7,568,460	\$ 24,312,433
Safety	36,390,895	-	36,390,895
Total aggregate net pension liabilities	\$ 53,134,868	\$ 7,568,460	\$ 60,703,328
Deferred inflows of resources:			
Difference between projected and actual earnings on plan investments:			
Miscellaneous	6,551,320	2,961,269	9,512,589
Safety	14,392,841	-	14,392,841
Total difference between expected and actual experience	20,944,161	2,961,269	23,905,430
Difference between expected and actual experience:			
Safety	170,876	-	170,876
Total difference between expected and actual experience	170,876	-	170,876
Total deferred inflows of resources	\$ 21,115,037	\$ 2,961,269	\$ 24,076,306
Pension expense:			
Miscellaneous	\$ 1,263,839	\$ 571,269	\$ 1,835,108
Safety	4,224,295	-	4,224,295
Total net pension expense	\$ 5,488,134	\$ 571,269	\$ 6,059,403

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

B. General Information about the Pension Plans

Plan Descriptions

The City's defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The Plans are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by state statutes within the Public Employees' Retirement Law.

The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City ordinance. CalPERS issues a separate annual comprehensive financial report. Copies of CalPERS's annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

All full-time employees of the City are eligible to participate in the Plans. Part-time employees and temporary employees who work an average of 20 hours per week and over 1,000 hours per year are also eligible to participate. Upon 5 years of service, miscellaneous employees and public safety employees who retire at or after age 50 are entitled to receive an annual retirement benefit.

The benefit is payable monthly for life, in an amount that varies from each Tier, of the employees' single highest year's salary for each year of credited service. The Plans also provide death and disability benefits.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of services. PEPR miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit.

Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

B. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at the measurement date of June 30, 2021 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Benefit per year of service, as a percentage of salary	2.0% to 3.0%	1.0% to 2.5%
Required employee contribution rates	8.000%	7.000%
Required contribution during measurement period	11.990%	11.990%

	Safety - Police		
	Prior to January 5, 2011	Prior to January 1, 2013	On or After January 1, 2013
Hire Date			
Benefit formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit vesting schedule	3 years of service	3 years of service	3 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-55	50-55	50-57
Benefit per year of service, as a percentage of salary	3.000%	2.00%-2.70%	2.00%-2.70%
Required employee contribution rates	9.000%	9.000%	13.000%
Required contribution during measurement period	20.620%	20.620%	20.620%

	Safety - Fire		
	Prior to January 5, 2011	Prior to January 1, 2013	On or After January 1, 2013
Hire Date			
Benefit formula	3% @ 55	2% @ 55	2% @ 57
Benefit vesting schedule	3 years of service	3 years of service	3 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-55	50-55	50-57
Benefit per year of service, as a percentage of salary	2.4%-3.0%	1.426%-2.0%	1.426%-2.0%
Required employee contribution rates	9.000%	7.000%	10.500%
Required contribution during measurement period	20.620%	20.620%	20.620%

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

B. General Information about the Pension Plans (Continued)

Employees Covered

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms for all Plans:

	<u>Miscellaneous</u>	<u>Safety</u>
Active employees	160	100
Transferred and terminated employees	168	44
Retired Employees and Beneficiaries	238	143
Total	<u>566</u>	<u>287</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

C. Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

C. Net Pension Liability (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class ¹	Current Target Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

¹ In the CalPER's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.0% used

³ An expected inflation of 2.92% used

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

D. Changes in the Net Pension Liability

The following table shows the changes in net pension liability for the City's miscellaneous plan recognized over the measurement period.

Miscellaneous Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2020 (Valuation Date)	\$ 121,160,497	\$ 84,156,723	\$ 37,003,774
Changes Recognized for the Measurement Period:			
Service cost	2,545,114	-	2,545,114
Interest on the total pension liability	8,496,663	-	8,496,663
Difference between expected and actual experience	(176,531)	-	(176,531)
Contributions from the employer	-	3,772,061	(3,772,061)
Contributions from employees	-	914,541	(914,541)
Net investment income	-	18,954,052	(18,954,052)
Benefit payments, including refunds of employee contributions	(6,844,176)	(6,844,176)	-
Administrative expenses	-	(84,067)	84,067
Net changes during July 1, 2020 to June 30, 2021	4,021,070	16,712,411	(12,691,341)
Balance at June 30, 2021 (Measurement Date)	\$ 125,181,567	\$ 100,869,134	\$ 24,312,433

Safety			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2020 (Valuation Date)	\$ 179,952,020	\$ 125,905,286	\$ 54,046,734
Changes Recognized for the Measurement Period:			
Service cost	3,976,010	-	3,976,010
Interest on the total pension liability	12,848,427	-	12,848,427
Difference between expected and actual experience	2,169,260	-	2,169,260
Plan to plan resource movement	-	-	-
Contributions from the employer	-	6,718,586	(6,718,586)
Contributions from employees	-	1,307,559	(1,307,559)
Net investment income	-	28,749,163	(28,749,163)
Benefit payments, including refunds of employee contributions	(8,821,983)	(8,821,983)	-
Administrative expenses	-	(125,772)	125,772
Net changes during July 1, 2020 to June 30, 2021	10,171,714	27,827,553	(17,655,839)
Balance at June 30, 2021 (Measurement Date)	\$ 190,123,734	\$ 153,732,839	\$ 36,390,895

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

D. Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for all Plans, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan	\$ 39,544,517	\$ 24,312,433	\$ 11,606,354
Safety Plan	\$ 61,572,493	\$ 36,390,895	\$ 15,579,291

Pension Plans Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

E. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense in the amounts of \$1,835,108 and \$4,224,295 for the miscellaneous plan and safety plan, respectively.

As of measurement date of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made after the measurement date	\$ 4,103,355	\$ -
Difference between expected and actual experience	90,362	-
Net difference between projected and actual earning on pension plan investments	-	(9,512,589)
Total	\$ 4,193,717	\$ (9,512,589)
Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made after the measurement date	\$ 7,117,603	\$ -
Difference between expected and actual experience	1,613,039	(170,876)
Net difference between projected and actual earnings on pension plan investments	-	(14,392,841)
Total	\$ 8,730,642	\$ (14,563,717)

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Defined Benefit Pension Plans (CalPERS) (Continued)

E. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The \$4,103,355 reported in the Miscellaneous Plans and \$7,117,603 reported in the Safety Plans as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2022	\$ (2,273,688)	\$ (3,226,576)
2023	(2,270,779)	(2,804,598)
2024	(2,271,659)	(2,963,184)
2025	(2,606,101)	(3,956,320)
	<u>\$ (9,422,227)</u>	<u>\$ (12,950,678)</u>

Note 12 – Other Postemployment Benefits (OPEB)

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Employer contributions made subsequent to the measurement date	\$ 428,368	\$ 87,117	\$ 515,485
Changes in assumption	2,178,193	442,978	2,621,171
Total deferred outflows of resources	<u>\$ 2,606,561</u>	<u>\$ 530,095</u>	<u>\$ 3,136,656</u>
Total OPEB liability	<u>\$ 14,978,632</u>	<u>\$ 3,046,196</u>	<u>\$ 18,024,828</u>
Total OPEB liability	<u>\$ 14,978,632</u>	<u>\$ 3,046,196</u>	<u>\$ 18,024,828</u>
Deferred inflows of Resources:			
Change in assumption	\$ 1,075,813	\$ 218,787	\$ 1,294,600
Difference between expected and actual experience	1,584,300	322,198	1,906,498
Total deferred inflows of resources	<u>\$ 2,660,113</u>	<u>\$ 540,985</u>	<u>\$ 3,201,098</u>
OPEB Expense	<u>\$ 1,137,962</u>	<u>\$ 231,427</u>	<u>\$ 1,369,389</u>

Plan Description

The City's Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. The plan provides healthcare benefits to eligible retirees and their dependents through the California Public Employee's Retirement System healthcare program (PEMHCA) and a post-employment retention/recognition incentive benefit program (RRIB) which requires proof of medical coverage. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its management employees and unions representing City employees.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 12 – Other Postemployment Benefits (Continued)

Plan Description (Continued)

For all retirees under the plan, the City contributes the PEMHCA minimum contribution on the unequal method for eligible retirees and surviving spouses. The PEMHCA minimum amount is \$143 in 2021 and \$149 in 2022. No dental, vision or life insurance benefits are provided.

The RRIB incentive benefit is for certain bargaining units' retirees that retired prior to July 1, 2014 (police and fire employees), July 1, 2015 (management employees) or November 1, 2015 (AFSCME, miscellaneous employees). Prior employees that retired on or before these dates and were fifty (50) or more years of age (police and fire employees) or fifty-five (55) or more years of age (AFSCME and management employees) and previously retired from City service with a minimum of fifteen (15) years of service with the City are eligible to receive this postretirement benefit until reaching the age of sixty-five (65). Additional tiers of years of service were added to the plan to qualify for benefits. This supplemental pension plan has been discontinued for new participants after the dates noted above.

The employer contribution under RRIB provides a temporary monthly annuity (to age 65) up to \$300 per month based on service at retirement to eligible retirees. All classes of employees are covered, if eligible.

The City offers a Health Reimbursement Plan (PEMHCA) for new retirees after the dates noted above.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a separate report.

Employees Covered

At the measurement date of June 30, 2021, the following current and former employees were covered by the benefit terms under the plan:

Active plan members	220
Retirees	235
Total	455

Total OPEB Liability

The City's OPEB liability of \$18,024,828 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020 rolled forward to 2021 using standard update procedures. The OPEB liability from the governmental activities is primarily liquidated from the general fund.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 12 – Other Postemployment Benefits (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2020
Contribution Policy	No pre-funding
Discount Rate	2.19%
Inflation	2.50% annually
Salary Increase	2.80% wage inflation plus seniority, merit, and promotional salary increases based on CalPERS Experience Study and Review of Actuarial Assumptions published in November 2021
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2019
Healthcare Trend Rate	Based on 2021 Getzen model that reflects actual premium increases from 2021 to 20223 followed by 5.75% decreasing gradually to an ultimate rate of 4.04% by 2075

Changes in total OPEB Liability

The change in total OPEB liability are as follows:

	Total OPEB Liability
Balance at June 30, 2021 (Valuation Date)	\$ 18,751,804
Changes Recognized for the Measurement Period:	
Service Cost	1,252,941
Interest on the total OPEB liability	435,960
Changes in assumptions	(724,033)
Difference between expected and actual experience	(1,132,716)
Benefit payments	(559,128)
Net Changes during July 1, 2020 to June 30, 2021	(726,976)
Balance at June 30, 2021 (Measurement Date)	<u>\$ 18,024,828</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate for the Plan, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan's Total OPEB Liability		
Discount Rate - 1% Rate (1.19%)	Current Discount Rate (2.19%)	Discount Rate + 1% Rate (3.19%)
\$ 20,990,476	\$ 18,024,828	\$ 15,650,491

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 12 – Other Postemployment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher) than the current healthcare cost trend rates:

Plan's Total OPEB Liability		
Healthcare Cost Trend Rates		
-1%	(7.5% - 8.4%)	1%
\$ 15,433,079	\$ 18,024,828	\$ 21,350,999

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$1,369,389. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ -	\$ (1,906,498)
Changes in assumptions	2,621,171	(1,294,600)
Employer contributions made subsequent to the measurement date	515,485	-
Total	\$ 3,136,656	\$ (3,201,098)

The \$515,485 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2023. The change in assumptions was due to the change in discount rate to 2.19% from 2.21% for the June 30, 2021 measurement date and is amortized over the average expected remaining service lives.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
2022	\$ (319,512)
2023	(232,512)
2024	(39,512)
2025	43,536
2026	187,995
Thereafter	(219,922)
	\$ (579,927)

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Claims Payable

The workers' compensation and general liability claims administrators have estimated liabilities for probable future payments relating to claims outstanding as of June 30, 2022 in the following amounts which are recorded in separate internal service funds:

Worker' compensation claims	\$ 6,669,000
General liability claims	2,022,284
Total claims payable	<u>\$ 8,691,284</u>

Although the eventual outcome of these claims is uncertain, in the opinion of management, the resolution of these matters is not expected to have a material adverse effect on the financial condition of the City, beyond the provision for losses reflected in the recorded claims payable liabilities.

Changes in claims payable for workers' compensation for the past three fiscal years are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability	Amounts Due within One Year	Amounts Due in more than One Year
<i>Workers' Compensation</i>						
2019-2020	\$ 3,254,870	70,329	(392,803)	\$ 2,932,396	\$ 792,000	\$ 2,140,396
2020-2021	2,932,396	2,058,195	(1,397,737)	3,592,854	970,000	2,622,854
2021-2022	3,592,854	3,863,535	(787,389)	6,669,000	1,062,000	5,607,000

Changes in claims payable for general liability for the past three fiscal years are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability	Amounts Due within One Year	Amounts Due in more than One Year
<i>General Liability</i>						
2019-2020	\$ 609,953	\$ 525,681	\$ (445,585)	\$ 690,049	\$ 117,000	\$ 573,049
2020-2021	690,049	4,456,029	(2,380,120)	2,765,958	470,000	2,295,958
2021-2022	2,765,958	(322,612)	(421,062)	2,022,284	634,997	1,387,287

Note 14 – Risk Management

Bodily injury, property damage and public officials' errors and omissions insurance is provided via participation in a joint power's authority. Effective July 1, 2015, the City is a member of the Municipal Pooling Authority (MPA), a joint powers authority established pursuant to California Government Code Sections 990.4-990.8 and 6500, et seq. The pool has 20 member cities. The City is insured by the MPA for up to \$29,000,000 per claim for liability coverage, including \$28,000,000 provided by an excess policy with the California Affiliated Risk Management Authority, after a deductible of \$50,000 which is paid by the City. Premiums paid by the participating members may be retrospectively increased or decreased to reflect the actual operating costs of MPA and the City's share of incurred losses. The City is contingently liable for assessments which may be made by MPA in the event that MPA has insufficient resources to pay unexpectedly large claims.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 14 – Risk Management (Continued)

The City is self-insured for the first \$500,000 of each workers' compensation claim. The City belongs to the Local Agency Workers' Compensation Excess (LAWCX) joint powers authority, established pursuant to California Government Code Sections 990.4-990.8 and 6500 et seq., for the purpose of workers' compensation excess coverage. LAWCX coverage is for individual workers' compensation claims in excess of \$500,000 up to \$5,000,000. In addition, additional excess coverage beyond \$5,000,000 is purchased via California State Association of Counties Excess Insurance Authority (CSAC EIA) bringing statutory coverage to \$50,000,000.

Note 15 – Commitments and Contingencies

The City had the following commitments outstanding as of June 30, 2022:

Name of Project	Outstanding Amount
Enterprise Resource Planning (ERP) and Permitting Software Systems and Implementation Services	\$ 543,287
10th Street and Uvas Creek Bridge Design Services	539,156
McCarthy Well Project - Design and Construction Engineering Services	527,729
RIMS Public Safety Dispatch Software	527,462
Housing Element Update	211,460
City Hall Backup Generator Project	295,810
Citywide Pavement Rehab Project	4,518,787
Downtown Gourmet Parking Lot Project	2,310,000
Vactor Truck for Public Works	594,156
	<u>\$ 10,067,847</u>

Under the terms of federal, county, and state grants, periodic audits are required, and certain costs may be questioned as not appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. If expenditures were disallowed, the City believes such disallowances, if any, would be immaterial.

The City is a defendant in certain legal claims and actions arising from the normal course of operations. In the opinion of management and legal counsel, such claims and actions will not have a material adverse effect on the City's financial position.

Gilroy Garlic Festival

On July 28, 2019, the Gilroy Garlic Festival, held at Christmas Hill Park, was the site of an unexpected and random shooting. The gunman killed himself, three others and wounded 17 people. The City has been named as a party in litigation lawsuits against the Gilroy Garlic Festival Association responsible for organizing the festival. Currently, the Gilroy Garlic Festival Association's insurance is covering all legal costs. The City may incur additional financial impacts as a result of this event. At this time, the extent of those impact is unknown as it is too early in the case to make those determinations.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 15 – Commitments and Contingencies (Continued)

October 2021 Halloween Incident.

The City has received several government claims which arise out of a shooting that occurred in the early morning of October 30, 2021 during a Halloween party at Gilroy City Councilmember Rebecca Armendariz's residence. The City of Gilroy had no involvement in the private Halloween party. The claims have been submitted by the family members of two individuals who died as a result of the shooting. Two lawsuits have been filed naming the City as a defendant. Only one lawsuit has been served on the City. Both lawsuit's theory of liability against the City appears to be primarily that the City is vicariously liable for Councilmember Armendariz's involvement in hosting the Halloween party.

Business-Type Activities Delinquencies

The City provides water and sewer utility services. Since the onset of the pandemic in 2020, Governor Gavin Newsom issued executive orders instituting moratorium on shutting off water services for delinquent/non-payment accounts. Subsequent legislation enacted in September 2021 extended that moratorium through December 31, 2021. The City's water and sewer utilities currently have estimated \$900,000 in delinquent accounts. The City is currently offering its delinquent customers a payment arrangement plan and will continue its collection efforts. In addition, State Water Resources Control Board of California has instituted a water and wastewater arrearage payment program to provide relief to community water and wastewater systems for unpaid bills related to the pandemic.

Note 16 – Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2022:

	Governmental Activities	Business-Type Activities	DCU
Capital assets, net of accumulated depreciation	\$ 202,815,159	\$ 83,970,716	\$ 111,561,190
Investment with fiscal related to debt services	921,030	44,512,120	-
Less: outstanding principal on capital related debts	(53,745,434)	(49,520,000)	-
Less: bond premium	(2,911,561)	(5,573,508)	-
Net investment in capital assets	<u>\$ 147,079,194</u>	<u>\$ 73,389,328</u>	111,561,190
DCU share in net investment in capital assets			<u>46,744,139</u>
City share in net investment in capital assets			<u>\$ 64,817,051</u>

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – Classification of Fund Balances

	General Fund	Public Facilities Impact Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaid items	\$ 739	\$ -	\$ -	\$ 739
Subtotal	739	-	-	739
Restricted:				
General capital projects	-	30,550	5,221,206	5,251,756
PARS	1,983,396	-	-	1,983,396
Public safety	-	-	591,293	591,293
Street maintenance	-	-	6,766,785	6,766,785
Grant programs	-	-	1,852,437	1,852,437
Housing	-	-	2,909,959	2,909,959
Traffic impact	-	-	17,488,071	17,488,071
Sewer development	-	-	16,063,074	16,063,074
Water development	-	-	6,053,344	6,053,344
Storm drains	-	-	2,091,686	2,091,686
Community development	-	-	4,918,073	4,918,073
Debt service	-	-	3,009,159	3,009,159
Museum	-	-	10,492	10,492
City poor assistance	-	-	15,053	15,053
Land held for resale	-	-	706,754	706,754
Subtotal	1,983,396	30,550	67,697,386	69,711,332
Committed:				
Economic stability reserve	5,572,376	-	-	5,572,376
Subtotal	5,572,376	-	-	5,572,376
Assigned:				
Capital projects	-	-	5,494,298	5,494,298
Subtotal	-	-	5,494,298	5,494,298
Unassigned (deficit)	30,349,205	-	-	30,349,205
Total	\$ 37,905,716	\$ 30,550	\$ 73,191,684	\$ 111,127,950

General Fund Balance Policy

The City's general fund reserve policy consists of an unrestricted General Fund Reserve of 20% of general fund expenditures and an Economic Stability Reserve of 10% of general fund expenditures. The Economic Stability Reserve would only be used in extraordinary circumstances, upon satisfaction of one of the following "economic triggers" and with the majority vote of the City Council: (i) state take-away of significant revenue; (ii) large drop in property taxes (decrease in assessed valuations), (iii) major business closures (sales tax and/or utility users' tax impact); (iv) dramatic drop in development from projections; (v) large unexpected drop in sales taxes (or other primary revenues - utility users' tax, franchise fees or transient occupancy tax) due to severe recession or (vi) the economic triggers cause the General Fund Reserve to fall below a predetermined percentage of expenditures (e.g. 20%). In the event the Economic Stability Reserve is used, the City is obligated to replenish the reserve by the end of the next biennial budget to 10% of the general fund expenditures for the given year.

City of Gilroy
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 18 – Subsequent Event

Land held for Sale

The City currently owns Cherry Blossom Apartments which consists of seven residential units and 3 units, approximately 3,100 square feet, of retail space on the first floor. The City has received interest from developer(s) to purchase and develop the property. In January 2023, the City declared the property as surplus, pursuant to Surplus Lands Act (SLA). The purpose of the SLA is to promote affordable housing development on unused or underutilized public land throughout the state of California.

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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2020-21	2019-20	2018-19	2017-18	2016-17
Total pension liability					
Service cost	\$ 2,545,114	\$ 2,360,748	\$ 2,218,281	\$ 2,107,888	\$ 2,119,709
Interest	8,496,663	8,220,201	7,888,537	7,397,421	7,057,333
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	-	-	(870,201)	5,558,063
Differences between expected and actual experience	(176,531)	670,381	3,067,906	1,618,519	(2,724,046)
Benefit payments, including refunds of employee contributions	(6,844,176)	(6,415,856)	(6,003,668)	(5,515,662)	(4,810,256)
Net change in total pension liability	4,021,070	4,835,474	7,171,056	4,737,965	7,200,803
Total pension liability - beginning	121,160,497	116,325,023	109,153,967	104,416,002	97,215,199
Total pension liability - ending (a)	<u>\$ 125,181,567</u>	<u>\$ 121,160,497</u>	<u>\$ 116,325,023</u>	<u>\$ 109,153,967</u>	<u>\$ 104,416,002</u>
Pension fiduciary net position					
Contributions - employer	\$ 3,772,061	\$ 3,645,000	\$ 3,254,181	\$ 2,796,490	\$ 2,535,645
Contributions - employee	914,541	1,076,549	992,926	1,003,145	888,342
Net investment income	18,954,052	4,099,977	5,226,520	6,275,073	7,621,577
Benefit payments, including refunds of employee contributions	(6,844,176)	(6,415,856)	(6,003,668)	(5,515,662)	(4,810,256)
Plan to plan resource movement	-	1,029	-	(182)	-
Administrative expense ²	(84,067)	(115,410)	(55,985)	(115,667)	(100,535)
Other Miscellaneous Income/(Expense) ¹	-	-	182	(219,654)	-
Net change in plan fiduciary net position	16,712,411	2,291,289	3,414,156	4,223,543	6,134,773
Plan fiduciary net position - beginning³	84,156,723	81,865,434	78,451,278	74,227,735	68,092,962
Plan fiduciary net position - ending (b)	<u>\$ 100,869,134</u>	<u>\$ 84,156,723</u>	<u>\$ 81,865,434</u>	<u>\$ 78,451,278</u>	<u>\$ 74,227,735</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 24,312,433</u>	<u>\$ 37,003,774</u>	<u>\$ 34,459,589</u>	<u>\$ 30,702,689</u>	<u>\$ 30,188,267</u>
Plan fiduciary net position as a percentage of the total pension liability	80.58%	69.46%	70.38%	71.87%	71.09%
Covered payroll³	<u>\$ 14,371,056</u>	<u>\$ 13,093,445</u>	<u>\$ 12,003,033</u>	<u>\$ 11,457,160</u>	<u>\$ 10,902,171</u>
Plan net pension liability as a percentage of covered payroll	169.18%	282.61%	287.09%	267.98%	276.90%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-22; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019, 2020 and 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumption December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2015-16	2014-15	2013-14 ¹
Total pension liability			
Service cost	\$ 1,974,107	\$ 1,914,477	\$ 1,886,470
Interest	6,992,371	6,720,915	6,378,166
Changes of benefit terms	-	-	-
Changes of assumptions	-	(1,563,145)	-
Differences between expected and actual experience	(878,722)	67,994	-
Benefit payments, including refunds of employee contributions	(4,335,513)	(4,140,599)	(3,800,609)
Net change in total pension liability	3,752,243	2,999,642	4,464,027
Total pension liability - beginning	93,462,956	90,463,314	85,999,287
Total pension liability - ending (a)	\$ 97,215,199	\$ 93,462,956	\$ 90,463,314
Pension fiduciary net position			
Contributions - employer	\$ 2,448,744	\$ 2,236,836	\$ 2,105,469
Contributions - employee	895,816	894,531	978,326
Net investment income	355,337	1,523,463	10,200,504
Benefit payments, including refunds of employee contributions	(4,335,513)	(4,140,599)	(3,800,609)
Plan to plan resource movement	-	-	-
Administrative expense ²	(41,912)	(77,393)	-
Other Miscellaneous Income/(Expense) ¹	-	-	-
Net change in plan fiduciary net position	(677,528)	436,838	9,483,690
Plan fiduciary net position - beginning³	68,770,490	68,333,652	58,849,962
Plan fiduciary net position - ending (b)	\$ 68,092,962	\$ 68,770,490	\$ 68,333,652
Plan net pension liability - ending (a) - (b)	\$ 29,122,237	\$ 24,692,466	\$ 22,129,662
Plan fiduciary net position as a percentage of the total pension liability	70.04%	73.58%	75.54%
Covered payroll³	\$ 11,189,178	\$ 10,920,524	\$ 10,072,452
Plan net pension liability as a percentage of covered payroll	260.27%	226.11%	219.70%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-22; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019, 2020 and 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumption December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Measurement period	2020-21	2019-20	2018-19	2017-18	2016-17
Total pension liability					
Service cost	\$ 3,976,010	\$ 4,116,535	\$ 4,001,654	\$ 3,782,506	\$ 3,795,030
Interest	12,848,427	12,139,906	11,586,454	11,090,179	10,658,420
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	-	-	(633,599)	9,024,447
Differences between expected and actual experience	2,169,260	(85,114)	(560,783)	(600,354)	(1,138,485)
Benefit payments, including refunds of employee contributions	(8,821,983)	(8,070,115)	(7,569,570)	(7,391,540)	(6,957,768)
Net change in total pension liability	10,171,714	8,101,212	7,457,755	6,247,192	15,381,644
Total pension liability - beginning	179,952,020	171,850,808	164,393,053	158,145,861	142,764,217
Total pension liability - ending (a)	\$ 190,123,734	\$ 179,952,020	\$ 171,850,808	\$ 164,393,053	\$ 158,145,861
Pension fiduciary net position					
Contributions - employer	\$ 6,718,586	\$ 6,320,224	\$ 5,572,994	\$ 4,906,333	\$ 4,528,260
Contributions - employee	1,307,559	1,575,349	1,245,565	1,196,981	1,157,337
Net investment income	28,749,163	6,112,651	7,469,298	8,983,812	10,785,793
Benefit payments, including refunds of employee contributions	(8,821,983)	(8,070,115)	(7,569,570)	(7,391,540)	(6,957,768)
Plan to plan resource movement	-	(1,029)	-	(263)	-
Administrative expense ²	(125,772)	(169,364)	(80,996)	(165,621)	(143,087)
Other Miscellaneous Income/(Expense) ¹	-	-	263	(314,517)	-
Net change in plan fiduciary net position	27,827,553	5,767,716	6,637,554	7,215,185	9,370,535
Plan fiduciary net position - beginning³	125,905,286	120,137,570	113,500,016	106,284,831	96,914,296
Plan fiduciary net position - ending (b)	\$ 153,732,839	\$ 125,905,286	\$ 120,137,570	\$ 113,500,016	\$ 106,284,831
Plan net pension liability - ending (a) - (b)	\$ 36,390,895	\$ 54,046,734	\$ 51,713,238	\$ 50,893,037	\$ 51,861,030
Plan fiduciary net position as a percentage of the total pension liability	80.86%	69.97%	69.91%	69.04%	67.21%
Covered payroll³	\$ 13,936,242	\$ 14,083,254	\$ 13,479,938	\$ 12,879,248	\$ 12,700,905
Plan net pension liability as a percentage of covered payroll	261.12%	383.77%	383.63%	395.16%	408.33%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-22; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019, 2020 or 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumption December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Measurement period	2015-16	2014-15	2013-14 ¹
Total pension liability			
Service cost	\$ 3,436,724	\$ 3,251,786	\$ 3,441,840
Interest	10,258,316	9,778,748	9,235,218
Changes of benefit terms	-	-	-
Changes of assumptions	-	(2,444,546)	-
Differences between expected and actual experience	(557,694)	437,762	-
Benefit payments, including refunds of employee contributions	(6,616,198)	(5,976,690)	(5,792,746)
Net change in total pension liability	6,521,148	5,047,060	6,884,312
Total pension liability - beginning	136,243,069	131,196,009	124,311,697
Total pension liability - ending (a)	\$ 142,764,217	\$ 136,243,069	\$ 131,196,009
Pension fiduciary net position			
Contributions - employer	\$ 4,131,687	\$ 3,911,991	\$ 3,844,918
Contributions - employee	1,130,369	1,106,970	1,082,775
Net investment income	541,083	2,139,791	14,460,928
Benefit payments, including refunds of employee contributions	(6,616,198)	(5,976,690)	(5,792,746)
Plan to plan resource movement	-	-	-
Administrative expense ²	(59,596)	(110,062)	-
Other Miscellaneous Income/(Expense) ¹	-	-	-
Net change in plan fiduciary net position	(872,655)	1,072,000	13,595,875
Plan fiduciary net position - beginning³	97,786,951	96,714,951	83,119,076
Plan fiduciary net position - ending (b)	\$ 96,914,296	\$ 97,786,951	\$ 96,714,951
Plan net pension liability - ending (a) - (b)	\$ 45,849,921	\$ 38,456,118	\$ 34,481,058
Plan fiduciary net position as a percentage of the total pension liability	67.88%	71.77%	73.72%
Covered payroll³	\$ 12,637,804	\$ 12,055,260	\$ 12,092,757
Plan net pension liability as a percentage of covered payroll	362.80%	319.00%	285.14%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-22; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019, 2020 or 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumption December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pension
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous

Fiscal Year End	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Actuarially determined contribution	\$ 4,103,355	\$ 3,772,061	\$ 3,645,000	\$ 3,254,181	\$ 2,796,490	\$ 2,535,645
Contributions in relation to the actuarially determined contribution ²	(4,103,355)	(3,772,061)	(3,645,000)	(3,254,181)	(2,796,490)	(2,535,645)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 14,802,188	\$ 14,371,056	\$ 13,093,445	\$ 12,003,033	\$ 11,457,160	\$ 10,902,171
Contributions as a percentage of covered payroll ³	27.72%	26.25%	27.84%	27.11%	24.41%	23.26%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.750%
Investment rate of return	7.00% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pension (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous

Fiscal Year End	2015-16	2014-15	2013-14 ¹
Actuarially determined contribution	\$ 2,448,744	\$ 2,236,836	\$ 2,105,469
Contributions in relation to the actuarially determined contribution ²	(2,448,744)	(2,236,836)	(2,105,469)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll ³	\$ 11,189,178	\$ 10,920,524	\$ 10,072,452
Contributions as a percentage of covered payroll ³	21.88%	20.48%	20.90%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were derived from the June 30, 2018 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.750%
Investment rate of return	7.00% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pension (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

	2021-22	2020-21	2019-20	2018-19
Actuarially determined contribution	\$ 7,117,603	6718586	\$ 6,320,224	\$ 5,572,994
Contributions in relation to the actuarially determined contribution ²	(7,117,603)	(6,718,586)	(6,320,224)	(5,572,994)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 14,354,329	\$ 13,936,242	\$ 14,083,254	\$ 13,479,938
Contributions as a percentage of covered payroll ³	49.59%	48.21%	44.88%	41.34%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.750%
Investment rate of return	7.00% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Plan Contributions - Pension (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Actuarially determined contribution	\$ 4,906,333	\$ 4,528,260	\$ 4,131,687	\$ 3,911,991	\$ 3,844,918
Contributions in relation to the actuarially determined contribution ²	(4,906,333)	(4,528,260)	(4,131,687)	(3,911,991)	(3,844,918)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 12,879,248	\$ 12,700,905	\$ 12,637,804	\$ 12,055,260	\$ 12,092,757
Contributions as a percentage of covered payroll ³	38.09%	35.65%	32.69%	32.45%	31.80%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.750%
Investment rate of return	7.00% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2022

Last Ten Fiscal Years

Other Post Employment Benefit Plan

Measurement period	2020-21	2019-20
Total OPEB liability		
Service cost	\$ 1,252,941	\$ 906,127
Interest	435,960	533,762
Difference between expected vs actual experience	(1,132,716)	-
Changes of assumptions	(724,033)	3,218,042
Benefit payments, including refunds of employee contributions	(559,128)	(500,729)
Net change in total OPEB liability	(726,976)	4,157,202
Total OPEB liability - beginning	18,751,804	14,594,602
Total OPEB liability - ending (a)	<u>\$ 18,024,828</u>	<u>\$ 18,751,804</u>
Covered employee-payroll⁵	<u>\$ 23,024,828</u>	<u>\$ 28,912,941</u>
Plan OPEB liability as a percentage of covered payroll	<u>78.28%</u>	<u>64.86%</u>

Notes to Schedule:

Historical information is presented only for measurement periods for which GASB 75 is applicable.

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The discount rate for the June 30, 2017 measurement date was increased to 3.58% from 2.85%.

The discount rate for the June 30, 2018 measurement date was increased to 3.87% from 3.58%.

The discount rate for the June 30, 2019 measurement date was decreased to 3.50% from 3.87%.

The discount rate for the June 30, 2020 measurement date was decreased to 2.21% from 3.50%.

The discount rate for the June 30, 2021 measurement date was decreased to 2.19% from 2.21%.

Plan assets:

There are no plan assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the OPEB plan.

City of Gilroy
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

Other Post Employment Benefit Plan

Measurement period	2018-19	2017-18	2016-17
Total OPEB liability			
Service cost	\$ 697,310	\$ 723,000	\$ 832,000
Interest	594,793	546,000	463,000
Actual vs. expected experience	(1,655,290)	-	-
Changes of assumptions	547,789	(625,000)	(1,691,000)
Benefit payments, including refunds of employee contributions	(524,000)	(491,000)	(479,000)
Net change in total OPEB liability	(339,398)	153,000	(875,000)
Total OPEB liability - beginning	14,934,000	14,781,000	15,656,000
Total OPEB liability - ending (a)	<u>\$ 14,594,602</u>	<u>\$ 14,934,000</u>	<u>\$ 14,781,000</u>
Covered employee-payroll⁵	<u>\$ 29,906,910</u>	<u>\$ 27,610,000</u>	<u>\$ 26,626,000</u>
Plan OPEB liability as a percentage of covered payroll	<u>48.80%</u>	<u>54.09%</u>	<u>55.51%</u>

Notes to Schedule:

Historical information is presented only for measurement periods for which GASB 75 is applicable.

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The discount rate for the June 30, 2017 measurement date was increased to 3.58% from 2.85%.

The discount rate for the June 30, 2018 measurement date was increased to 3.87% from 3.58%.

The discount rate for the June 30, 2019 measurement date was decreased to 3.50% from 3.87%.

The discount rate for the June 30, 2020 measurement date was decreased to 2.21% from 3.50%.

The discount rate for the June 30, 2021 measurement date was decreased to 2.19% from 2.21%.

Plan assets:

There are no plan assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the OPEB plan.

City of Gilroy
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property taxes	\$ 16,805,600	\$ 16,805,600	\$ 17,894,048	\$ 1,088,448
Sales tax	18,906,843	18,906,843	21,608,608	2,701,765
Transient occupancy tax	1,431,200	1,431,200	1,545,721	114,521
Utility taxes	4,237,220	4,237,220	5,488,491	1,251,271
Franchise taxes	1,753,800	1,753,800	1,874,046	120,246
Document transfer tax	520,000	520,000	618,818	98,818
Motor vehicle in lieu tax	32,534	32,534	65,386	32,852
Total taxes	43,687,197	43,687,197	49,095,118	5,407,921
Intergovernmental:				
Grants	5,876,500	5,876,500	11,267,505	5,391,005
Total intergovernmental				
Charges for Services:				
Administrative charges	3,697,825	3,697,825	3,680,691	(17,134)
Plan checks and inspections	2,945,780	2,945,780	2,202,995	(742,785)
Special planning services	510,000	510,000	655,261	145,261
Special police services	54,122	54,122	20,070	(34,052)
Special fire services	200,000	200,000	182,349	(17,651)
Community recreation	504,157	504,157	639,265	135,108
Total charges for services	7,911,884	7,911,884	7,380,631	(531,253)
Licenses and Permits:				
Business licenses	574,996	574,996	880,406	305,410
Hazardous material permits	210,000	210,000	151,535	(58,465)
Building permits	1,536,790	1,536,790	1,578,741	41,951
Other licenses and permits	49,276	49,276	61,504	12,228
Total licenses and permits	2,371,062	2,371,062	2,672,186	301,124
Fines:				
Vehicle fines	83,526	83,526	79,849	(3,677)
Parking fines	21,150	21,150	26,036	4,886
Abandoned vehicle	100,000	100,000	156,518	56,518
Total fines	204,676	204,676	262,403	57,727
Investment income (loss)	159,376	159,376	(758,838)	(918,214)
Miscellaneous:				
Police and fire	22,899	22,899	102,844	79,945
Recreation	3,029	3,029	1,753	(1,276)
Other	734,233	734,233	3,236,246	2,502,013
Total miscellaneous	760,161	760,161	3,340,843	2,580,682
TOTAL REVENUES	60,970,856	60,970,856	73,259,848	12,288,992

(Continued)

City of Gilroy
Required Supplementary Information
Budgetary Comparison Schedule - General Fund (Continued)
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
General Government:				
City council	221,987	221,987	316,805	(94,818)
City administration	1,344,130	1,462,102	1,248,736	213,366
Emergency services	101,100	101,100	38,839	62,261
Finance	964,349	964,349	867,841	96,508
General administration	2,196,671	2,296,671	3,272,639	(975,968)
City attorney	450,000	450,000	711,905	(261,905)
Personnel	1,292,276	1,292,276	1,479,512	(187,236)
Total general government	6,570,513	6,788,485	7,936,277	(1,147,792)
Public Safety:				
Police administration	4,103,881	4,103,881	3,993,280	110,601
Police patrol operations	14,438,223	14,899,879	15,115,800	(215,921)
Police investigation	1,523,800	1,523,800	1,485,581	38,219
Communications	2,218,127	2,218,127	2,045,665	172,462
Police records	1,174,220	1,174,220	1,050,881	123,339
Fire administration	1,769,641	1,769,641	1,071,097	698,544
Fire operations	10,382,790	10,432,459	11,730,040	(1,297,581)
Total public safety	35,610,682	36,122,007	36,492,344	(370,337)
Public works:				
Engineering	1,244,813	1,369,133	930,586	438,547
Street maintenance/forestry	1,300,823	1,300,823	1,371,464	(70,641)
Landscape maintenance	2,728,375	2,732,268	2,763,374	(31,106)
Total public works	5,274,011	5,402,224	5,065,424	336,800
Community development:				
Planning	2,877,489	3,009,934	2,511,647	498,287
B.L.E.S.	1,519,689	1,561,065	1,613,675	(52,610)
Chemical containment hazardous materials	365,029	365,562	391,810	(26,248)
Total community development	4,762,207	4,936,561	4,517,132	419,429
Recreation services:				
Community recreation	2,066,781	2,066,781	1,463,448	603,333
Total recreation services	2,066,781	2,066,781	1,463,448	603,333
Capital outlay:				
Capital outlay	2,514,000	2,514,000	249,133	2,264,867
Total capital outlay	2,514,000	2,514,000	249,133	2,264,867
TOTAL EXPENDITURES	56,798,194	57,830,058	55,723,758	2,106,300
EXCESS OF REVENUES OVER EXPENDITURES	4,172,662	3,140,798	17,536,090	14,395,292
OTHER FINANCING SOURCES:				
Transfers in	2,532,888	2,532,888	2,779,852	246,964
Transfers out	(2,031,454)	(2,031,454)	(2,043,469)	(12,015)
Total other financing sources	501,434	501,434	736,383	234,949
NET CHANGE IN FUND BALANCE	\$ 4,674,096	\$ 3,642,232	18,272,473	\$ 14,630,241
FUND BALANCE:				
Beginning of Year			19,633,243	
End of Year			<u>\$ 37,905,716</u>	

p. 404 of 530 (Concluded)

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City of Gilroy
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2022

Budget and Budgetary Accounting

The City Administrator submits to the City Council a proposed budget for all funds. Council then proceeds to make any changes to the proposed budget it deems necessary. Before adopting the proposed budget, Council holds a public hearing for any interested party desiring to be heard. Notice must be given 10 days prior to the hearing and must be published in the City's official newspaper. After the conclusion of the public hearing, Council may further make revisions to the proposed budget. Thereafter, Council adopts the budget with revisions, if any.

Legally adopted budgets for all governmental funds are established on a basis consistent with accounting principles generally accepted in the United States of America. City Council approval is required for all revisions to the adopted budget that require additional appropriations or new funding. City Administrator approval is required for all transfers within the adopted budget. Operational appropriations lapse at fiscal year-end unless City Council takes formal action to carry forward appropriations into the following fiscal year.

The level on which expenditures may not legally exceed appropriations is the fund level. The budgetary comparison schedules are not presented for the Lease Revenue Bond Series 2020A Debt Service Fund.

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SUPPLEMENTARY INFORMATION

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City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Facilities Impact Capital Projects Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Developer impact fee	\$ 6,786,802	\$ 6,786,802	\$ 8,665,502	\$ 1,878,700
Investment income	6,970	6,970	15,315	8,345
Total revenues	<u>6,793,772</u>	<u>6,793,772</u>	<u>8,680,817</u>	<u>1,887,045</u>
EXPENDITURES:				
Current:				
Public works	10,000	10,000	30,927	(20,927)
Debt service:				
Interest and fiscal charges	<u>68,775</u>	<u>68,775</u>	<u>79,971</u>	<u>(11,196)</u>
Total expenditures	<u>78,775</u>	<u>78,775</u>	<u>110,898</u>	<u>(32,123)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,714,997</u>	<u>6,714,997</u>	<u>8,569,919</u>	<u>1,854,922</u>
OTHER FINANCIN SOURCES (USES):				
Transfers in	40,763	40,763	40,763	-
Transfers out	<u>(4,853,224)</u>	<u>(4,853,224)</u>	<u>(3,182,644)</u>	<u>1,670,580</u>
Total other financing sources (uses)	<u>(4,812,461)</u>	<u>(4,812,461)</u>	<u>(3,141,881)</u>	<u>1,670,580</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,902,536</u>	<u>\$ 1,902,536</u>	<u>5,428,038</u>	<u>\$ 3,525,502</u>
FUND BALANCE:				
Beginning of Year			<u>(5,397,488)</u>	
End of Year			<u>\$ 30,550</u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

These funds account for revenue sources that are restricted for specific purposes (other than those resources to be expended solely for the construction of major capital facilities).

Gas Tax - This fund is used to account for the City's share of state gasoline tax required to be used for construction and maintenance of the City's road network system.

Pavement Management - This fund is used to account for County Measure A and other transportation grants used to repair and rebuild various roads.

Public Safety Grants - This fund is used to account for state and federal grants used for public safety activities.

Prop 172 Sales Tax - This fund is used to account for funds received from state sales tax used for public safety activities.

Community Development Block Grant - This fund is used to account for Housing and Urban Development grants used to operate the Community Development Grant Program.

Rehabilitation Loans - This fund is used to account for loan proceeds used from the state for housing projects.

Housing Trust Fund - This fund is used to account for local funds used to address affordable housing and homelessness, for both capital projects and services provided to homebuyers regarding down payment assistance and administrative oversight.

Community Facilities District - This fund is used to account for funds from special landscape assessment districts used to maintain improvements of a public nature that provide benefits to the property owner.

Measure B - This fund is used to account for street and road maintenance and repair projects.

Vehicle License Fee - This fund is used to account for vehicle license fees received from Santa Clara County to be used for pavement maintenance, operations, signals, signs and markings.

Los Arroyos Fund - This fund is used to account for funds received from South County Housing to support future homebuyers in the Los Arroyos neighborhood.

CalHome Funds - This fund is used to account funds received from South County Housing to support future homebuyers.

CAPITAL PROJECTS FUNDS

These funds account for resources intended to be used primarily for major capital facilities (other than those financed by revenues of proprietary funds).

Capital Projects - This fund is used to account for major capital projects other than those financed by revenues of proprietary funds, including projects that are partially funded from other sources such as grants or fuel tax.

BANS 2009 Financing - This fund is used to account for the 2009 short-term refinancing of the City's public facilities debt. The City included its cost for the Christopher High School joint use public facilities with GUSD in the refinancing.

Traffic Impact - This fund is used to finance the construction of streets, bridges, interchanges and traffic signals within the City as described in the City of Gilroy's Circulation Element. Improvements and expansions of the City's traffic circulation system are needed to accommodate development of new residential, commercial and industrial uses with the City. The traffic impact fee is used to expand system capacity to accommodate new development.

Storm Drains - This fund is used finance the construction of drainage collection and distribution systems within the City as described in the City of Gilroy's Storm Drain Master Plan. Improvements and expansions of the City's storm drain system are needed to accommodate development of new residential, commercial and industrial uses within the City. The storm drain development fee is used to expand system capacity to accommodate new development.

Street Trees Development - This fund is used to account for the collection of a front footage fee to plant trees in new developments.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS (Continued)

Sewer Development - This fund is used to account for the construction of sewer collection and conveyance systems within the City as described in the City of Gilroy's Sewer Master Plan. Improvements and expansions of the City's sewer system are needed to accommodate development of new residential, commercial and industrial uses within the City. The sewer development fee is used to expand system capacity to accommodate new development.

Water Development - This fund is used to account for the construction of water transmission, distribution and storage systems within Pressure Zone 1 of the City's water system as described in the City of Gilroy's Water Master Plan. Improvements and expansions of the City's water system are needed to accommodate development of new residential, commercial and industrial uses within the City. The water development fee is used to expand capacity to accommodate new development.

Bank Interest - This fund is used to account for the interest earned on the citywide treasurer's investment pool. Quarterly, the earnings are allocated to the appropriate funds. At the end of the fiscal year, the earnings of those funds not subject to interest are transferred to the Capital Projects Fund.

Gilroy Community Library - This fund is used to account for the acquisition, construction and improvement of facilities to be used as a public library within the City. Funding was provided by issuance of general obligation bonds. Interest earned on specific LAIF account will be recorded directly to the Library fund.

DEBT SERVICE FUNDS

These funds account for resources accumulated for the payment of principal and interest (other than that for proprietary fund debt).

2013 Refunding Bond - This fund is used to account for the payments of debt service of principal and interest for the 2013 Lease Revenue Refunding Bonds.

Gilroy Community Library - This fund is used to account for payments of the indebtedness of the refinanced 2019 series A and B General Obligation Bonds for the Gilroy Community Library.

CA Energy Commission Loan - This fund is used to account for the payments of debt service of principal and interest for the loan agreement between the CA Energy Commission (CEC) and the City for the Wide LED streetlight replacement project.

Lease Revenue Bonds Series 2020A - This fund is used to account for the payments of debt service of principal and interest for the PFFA Lease Revenue 2020A Bonds.

Refunding Lease 2010 - This fund is used to account for the payments of debt service of principal and interest for the PFFA Refunding Lease 2010 Bonds.

PERMANENT FUNDS

Henry Miller - This fund is used to account for a donation from Henry Miller. The annual interest earned on the original donation of \$15,000 is the amount donated to the poor of Gilroy each Christmas season.

Museum Trust - This fund was established by the sale of a vase by the Gilroy Museum. The purpose in selling the vase was to create an endowment for the museum. This would generate interest income for the museum.

City of Gilroy
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Gas Tax	Pavement Management	Public Safety Grants	Prop 172 Sales Tax
ASSETS				
Cash and investments	\$ 6,493,138	\$ 227,986	\$ 252,719	\$ 80,386
Receivables:				
Accounts	73,311	-	189,775	-
Due from other governments	219,897	-	38,617	93,265
Interest	-	-	-	-
Loans	-	-	-	-
Advances from other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 6,786,346</u>	<u>\$ 227,986</u>	<u>\$ 481,111</u>	<u>\$ 173,651</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 19,219	\$ -	\$ 42,498	\$ 8,181
Accrued liabilities	342	-	12,790	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>19,561</u>	<u>-</u>	<u>55,288</u>	<u>8,181</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	6,766,785	227,986	425,823	165,470
Assigned	-	-	-	-
Total fund balances	<u>6,766,785</u>	<u>227,986</u>	<u>425,823</u>	<u>165,470</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,786,346</u>	<u>\$ 227,986</u>	<u>\$ 481,111</u>	<u>\$ 173,651</u>

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Community Development Block Grant	Rehabilitation Loans	Housing Trust Fund	Community Facilities District
ASSETS				
Cash and investments	\$ 482,182	\$ 230	\$ 639,908	\$ 1,553,111
Receivables:				
Accounts	-	-	-	-
Due from other governments	112,583	-	-	762
Interest	438,189	-	355,707	-
Loans	1,646,375	-	1,311,270	-
Advances from other funds	-	-	-	-
Land held for resale	-	-	706,754	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 2,679,329</u>	<u>\$ 230</u>	<u>\$ 3,013,639</u>	<u>\$ 1,553,873</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 44,354	\$ -	\$ 16,714	\$ 77,533
Accrued liabilities	25,472	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	312,754	-	-	-
Total liabilities	<u>382,580</u>	<u>-</u>	<u>16,714</u>	<u>77,533</u>
Deferred inflows of resources:				
Unavailable revenues	444,542	-	355,707	-
Total deferred inflows of resources	<u>444,542</u>	<u>-</u>	<u>355,707</u>	<u>-</u>
Fund balances:				
Restricted	1,852,207	230	2,641,218	1,476,340
Assigned	-	-	-	-
Total fund balances	<u>1,852,207</u>	<u>230</u>	<u>2,641,218</u>	<u>1,476,340</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,679,329</u>	<u>\$ 230</u>	<u>\$ 3,013,639</u>	<u>\$ 1,553,873</u>

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Measure B	Vehicle License Fee	Los Arroyos Fund	CalHome Funds
ASSETS				
Cash and investments	\$ 2,061,787	\$ 1,019,689	\$ 614,247	\$ 361,248
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Interest	-	-	-	63,183
Loans	-	-	-	180,600
Advances from other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 2,061,787</u>	<u>\$ 1,019,689</u>	<u>\$ 614,247</u>	<u>\$ 605,031</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ (123)	\$ 7,905	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	243,783
Due to other funds	-	-	-	-
Total liabilities	<u>(123)</u>	<u>7,905</u>	<u>-</u>	<u>243,783</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	2,061,910	1,011,784	614,247	361,248
Assigned	-	-	-	-
Total fund balances	<u>2,061,910</u>	<u>1,011,784</u>	<u>614,247</u>	<u>361,248</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,061,787</u>	<u>\$ 1,019,689</u>	<u>\$ 614,247</u>	<u>\$ 605,031</u>

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Capital Projects Funds			
	Capital Projects	BANS 2009 Financing	Traffic Impact	Storm Drains
ASSETS				
Cash and investments	\$ 5,531,963	\$ -	\$ 17,493,730	\$ 1,223,359
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Interest	-	-	-	-
Loans	-	-	-	-
Advances from other funds	-	-	-	868,476
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 5,531,963</u>	<u>\$ -</u>	<u>\$ 17,493,730</u>	<u>\$ 2,091,835</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 37,261	\$ -	\$ 5,659	\$ 149
Accrued liabilities	404	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>37,665</u>	<u>-</u>	<u>5,659</u>	<u>149</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	-	17,488,071	2,091,686
Assigned	5,494,298	-	-	-
Total fund balances	<u>5,494,298</u>	<u>-</u>	<u>17,488,071</u>	<u>2,091,686</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,531,963</u>	<u>\$ -</u>	<u>\$ 17,493,730</u>	<u>\$ 2,091,835</u>

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Capital Projects Funds			
	Street Trees Development	Sewer Development	Water Development	Gilroy Community Library
ASSETS				
Cash and investments	\$ 140,053	\$ 14,976,546	\$ 6,054,958	\$ 5,211,379
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	-	-	9,827
Interest	-	-	-	-
Loans	-	-	-	-
Advances from other funds	-	1,086,677	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 140,053	\$ 16,063,223	\$ 6,054,958	\$ 5,221,206
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 149	\$ 1,614	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	149	1,614	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	140,053	16,063,074	6,053,344	5,221,206
Assigned	-	-	-	-
Total fund balances	140,053	16,063,074	6,053,344	5,221,206
Total liabilities, deferred inflows of resources, and fund balances	\$ 140,053	\$ 16,063,223	\$ 6,054,958	\$ 5,221,206

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Capital Projects Funds		Debt Service Funds	
	Utility Undergrounding	Bank Interest	2013 Refunding Bond	Gilroy Community Library
ASSETS				
Cash and investments	\$ -	\$ -	\$ 83,370	\$ 1,296,949
Receivables:				
Accounts	-	-	-	14,161
Due from other governments	-	-	-	-
Interest	-	-	-	-
Loans	-	-	-	-
Advances from other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	921,026	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,004,396</u>	<u>\$ 1,311,110</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	-	1,004,396	1,311,110
Assigned	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>1,004,396</u>	<u>1,311,110</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,004,396</u>	<u>\$ 1,311,110</u>

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Debt Service Funds		
	CA Energy Commission Loan	Lease Revenue Bond Series 2020A	Refunding Lease 2010
ASSETS			
Cash and investments	\$ 20,099	\$ 673,550	\$ -
Receivables:			
Accounts	-	-	-
Due from other governments	-	-	-
Interest	-	-	-
Loans	-	-	-
Advances from other funds	-	-	-
Land held for resale	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	4	-
Total assets	<u>\$ 20,099</u>	<u>\$ 673,554</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable revenues	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	20,099	673,554	-
Assigned	-	-	-
Total fund balances	<u>20,099</u>	<u>673,554</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,099</u>	<u>\$ 673,554</u>	<u>\$ -</u>

(Continued)

City of Gilroy
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Permanent Funds		Total Nonmajor Governmental Funds
	Henry Miller Library	Museum Trust	
ASSETS			
Cash and investments	\$ 15,053	\$ 45,791	\$ 66,553,431
Receivables:			
Accounts	-	-	277,247
Due from other governments	-	-	474,951
Interest	-	-	857,079
Loans	-	-	3,138,245
Advances from other funds	-	-	1,955,153
Land held for resale	-	-	706,754
Restricted assets:			
Cash and investments with fiscal agents	-	-	921,030
Total assets	\$ 15,053	\$ 45,791	\$ 74,883,890
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 261,113
Accrued liabilities	-	-	39,008
Deposits payable	-	35,299	35,299
Unearned revenue	-	-	243,783
Due to other funds	-	-	312,754
Total liabilities	-	35,299	891,957
Deferred inflows of resources:			
Unavailable revenues	-	-	800,249
Total deferred inflows of resources	-	-	800,249
Fund balances:			
Restricted	15,053	10,492	67,697,386
Assigned	-	-	5,494,298
Total fund balances	15,053	10,492	73,191,684
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,053	\$ 45,791	\$ 74,883,890

(Concluded)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds			
	Gas Tax	Pavement Management	Public Safety Grants	Prop 172 Sales Tax
Revenues:				
Taxes	\$ 1,191,390	\$ -	\$ -	\$ 350,725
Intergovernmental	1,147,129	48,783	1,154,029	-
Developer impact fees	-	-	-	-
Investment income	21,010	737	1,114	233
Miscellaneous	73,311	-	-	-
Total revenues	2,432,840	49,520	1,155,143	350,958
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	938,681	256,769
Community development	-	-	-	-
Public works	458,047	-	-	-
Capital outlay	401,637	-	19,166	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	859,684	-	957,847	256,769
Revenues over (under) expenditures	1,573,156	49,520	197,296	94,189
Other financing sources (uses):				
Transfers in	-	-	156,455	-
Transfers out	(357,363)	-	(315,673)	-
Total other financing sources (uses)	(357,363)	-	(159,218)	-
Net Change in Fund Balances	1,215,793	49,520	38,078	94,189
Fund balances:				
Beginning of year	5,550,992	178,466	387,745	71,281
End of year	\$ 6,766,785	\$ 227,986	\$ 425,823	\$ 165,470

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds			
	Community Development Block Grant	Rehabilitation Loans	Housing Trust Fund	Community Facilities District
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 490,550
Intergovernmental	567,222	-	-	-
Developer impact fees	-	-	-	-
Investment income	17,358	-	4,679	4,773
Miscellaneous	29,860	-	560,640	-
Total revenues	614,440	-	565,319	495,323
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	381,905	-	636,489	-
Public works	-	-	-	381,856
Capital outlay	24,881	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	406,786	-	636,489	381,856
Revenues over (under) expenditures	207,654	-	(71,170)	113,467
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(34,768)	-	-	-
Total other financing sources (uses)	(34,768)	-	-	-
Net Change in Fund Balances	172,886	-	(71,170)	113,467
Fund balances:				
Beginning of year	1,679,321	230	2,712,388	1,362,873
End of year	<u>\$ 1,852,207</u>	<u>\$ 230</u>	<u>\$ 2,641,218</u>	<u>\$ 1,476,340</u>

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds			
	Measure B	Vehicle License Fee	Los Arroyos Fund	CalHome Funds
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	22,633	345,979	204,722	47,277
Developer impact fees	-	-	-	-
Investment income	6,603	3,299	1,987	1,169
Miscellaneous	-	-	-	18,559
Total revenues	29,236	349,278	206,709	67,005
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	8,356	7,905	-	-
Capital outlay	106	15,077	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	8,462	22,982	-	-
Revenues over (under) expenditures	20,774	326,296	206,709	67,005
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	20,774	326,296	206,709	67,005
Fund balances:				
Beginning of year	2,041,136	685,488	407,538	294,243
End of year	\$ 2,061,910	\$ 1,011,784	\$ 614,247	\$ 361,248

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Capital Projects Funds			
	Capital Projects	BANS 2009 Financing	Traffic Impact	Storm Drains
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Developer impact fees	-	-	4,991,929	34,506
Investment income	20,384	-	56,572	16,752
Miscellaneous	-	-	-	-
Total revenues	20,384	-	5,048,501	51,258
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	6,635	39,622
Capital outlay	52,623	-	1,861,090	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	52,623	-	1,867,725	39,622
Revenues over (under) expenditures	(32,239)	-	3,180,776	11,636
Other financing sources (uses):				
Transfers in	250,000	-	48,769	1,196
Transfers out	-	(34,968)	-	-
Total other financing sources (uses)	250,000	(34,968)	48,769	1,196
Net Change in Fund Balances	217,761	(34,968)	3,229,545	12,832
Fund balances:				
Beginning of year	5,276,537	34,968	14,258,526	2,078,854
End of year	\$ 5,494,298	\$ -	\$ 17,488,071	\$ 2,091,686

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Capital Projects Funds			
	Street Trees Development	Sewer Development	Water Development	Gilroy Community Library
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Developer impact fees	481	3,552,755	981,863	-
Investment income	453	64,441	19,582	(47,412)
Miscellaneous	-	-	-	-
Total revenues	<u>934</u>	<u>3,617,196</u>	<u>1,001,445</u>	<u>(47,412)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	56,017	40,041	-
Capital outlay	-	-	16,020	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>56,017</u>	<u>56,061</u>	<u>-</u>
Revenues over (under) expenditures	<u>934</u>	<u>3,561,179</u>	<u>945,384</u>	<u>(47,412)</u>
Other financing sources (uses):				
Transfers in	27	28,351	5,893	9,658
Transfers out	-	(708,865)	-	-
Total other financing sources (uses)	<u>27</u>	<u>(680,514)</u>	<u>5,893</u>	<u>9,658</u>
Net Change in Fund Balances	<u>961</u>	<u>2,880,665</u>	<u>951,277</u>	<u>(37,754)</u>
Fund balances:				
Beginning of year	<u>139,092</u>	<u>13,182,409</u>	<u>5,102,067</u>	<u>5,258,960</u>
End of year	<u>\$ 140,053</u>	<u>\$ 16,063,074</u>	<u>\$ 6,053,344</u>	<u>\$ 5,221,206</u>

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Capital Projects Funds		Debt Service Funds	
	Utility Undergrounding	Bank Interest	2013 Refunding Bond	Gilroy Community Library
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 1,909,924
Intergovernmental	-	-	-	-
Developer impact fees	-	-	-	-
Investment income	-	54	1,107	4,196
Miscellaneous	-	-	-	-
Total revenues	-	54	1,107	1,914,120
Expenditures:				
Current:				
General government	8	-	3,832	5,735
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:	-	-	-	-
Principal retirement	-	-	990,000	1,022,696
Interest and fiscal charges	-	-	848,019	812,294
Total expenditures	8	-	1,841,851	1,840,725
Revenues over (under) expenditures	(8)	54	(1,840,744)	73,395
Other financing sources (uses):				
Transfers in	-	-	1,838,019	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	1,838,019	-
Net Change in Fund Balances	(8)	54	(2,725)	73,395
Fund balances:				
Beginning of year	8	(54)	1,007,121	1,237,715
End of year	\$ -	\$ -	\$ 1,004,396	\$ 1,311,110

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Debt Service Funds		
	CA Energy Commission Loan	Lease Revenue Bond Series 2020A	Refunding Lease 2010
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Developer impact fees	-	-	-
Investment income	65	2,186	-
Miscellaneous	-	-	-
Total revenues	<u>65</u>	<u>2,186</u>	<u>-</u>
Expenditures:			
Current:			
General government	-	3,810	-
Public safety	-	-	-
Community development	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	92,433	715,000	-
Interest and fiscal charges	7,429	629,625	-
Total expenditures	<u>99,862</u>	<u>1,348,435</u>	<u>-</u>
Revenues over (under) expenditures	<u>(99,797)</u>	<u>(1,346,249)</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	99,863	1,344,690	-
Transfers out	-	-	(65)
Total other financing sources (uses)	<u>99,863</u>	<u>1,344,690</u>	<u>(65)</u>
Net Change in Fund Balances	<u>66</u>	<u>(1,559)</u>	<u>(65)</u>
Fund balances:			
Beginning of year	20,033	675,113	65
End of year	<u>\$ 20,099</u>	<u>\$ 673,554</u>	<u>\$ -</u>

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Permanent Funds		Total Nonmajor Governmental Funds
	Henry Miller	Museum Trust	
Revenues:			
Taxes	\$ -	\$ -	\$ 3,942,589
Intergovernmental	-	-	3,537,774
	-	-	9,561,534
Investment income	-	938	202,280
Miscellaneous	-	-	682,370
Total revenues	-	938	17,926,547
Expenditures:			
Current:			
General government	-	-	13,385
Public safety	-	-	1,195,450
Community development	-	-	1,018,394
Public works	-	-	998,479
Capital outlay	-	-	2,390,600
Debt service:			
Principal retirement	-	-	2,820,129
Interest and fiscal charges	-	-	2,297,367
Total expenditures	-	-	10,733,804
Revenues over (under) expenditures	-	938	7,192,743
Other financing sources (uses):			
Transfers in	-	-	3,782,921
Transfers out	-	-	(1,451,702)
Total other financing sources (uses)	-	-	2,331,219
Net Change in Fund Balances	-	938	9,523,962
Fund balances:			
Beginning of year, as restated (note 16)	15,053	9,554	63,667,722
End of year	\$ 15,053	\$ 10,492	\$ 73,191,684

(Concluded)

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 1,373,492	\$ 1,373,492	\$ 1,191,390	\$ (182,102)
Intergovernmental	-	1,373,492	1,147,129	(226,363)
Investment income	30,386	30,386	21,010	(9,376)
Miscellaneous	-	-	73,311	73,311
Total Revenues	1,403,878	2,777,370	2,432,840	(344,530)
Expenditures:				
Current:				
Public works	1,014,065	1,058,172	458,047	600,125
Capital outlay	1,473,800	3,038,724	401,637	2,637,087
Total Expenditures	2,487,865	4,096,896	859,684	3,237,212
REVENUE OVER				
(UNDER) EXPENDITURES	(1,083,987)	(1,319,526)	1,573,156	2,892,682
Other Financing Sources (Uses):				
Transfers out	(107,363)	(357,363)	(357,363)	-
Total Other Financing Sources (Uses)	(107,363)	(357,363)	(357,363)	-
NET CHANGE IN FUND BALANCE	\$ (1,191,350)	\$ (1,676,889)	1,215,793	\$ 2,892,682
FUND BALANCE:				
Beginning of Year			5,550,992	
End of Year			<u>\$ 6,766,785</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Pavement Management Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 280,500	\$ 280,500	\$ 48,783	\$ (231,717)
Investment income	-	-	737	737
Total Revenues	<u>280,500</u>	<u>280,500</u>	<u>49,520</u>	<u>(230,980)</u>
Expenditures:				
Capital outlay	<u>280,500</u>	<u>280,500</u>	-	280,500
Total Expenditures	<u>280,500</u>	<u>280,500</u>	<u>-</u>	<u>280,500</u>
REVENUE OVER				
(UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>49,520</u>	<u>49,520</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>49,520</u>	<u>\$ 49,520</u>
FUND BALANCE:				
Beginning of Year			<u>178,466</u>	
End of Year			<u>\$ 227,986</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Safety Grants Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 611,193	\$ 627,925	\$ 1,154,029	\$ 526,104
Investment income	3,181	3,181	1,114	(2,067)
Total Revenues	<u>614,374</u>	<u>631,106</u>	<u>1,155,143</u>	<u>524,037</u>
Expenditures:				
Current:				
Public safety	609,978	675,821	938,681	(262,860)
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>19,166</u>	<u>(17,166)</u>
Total Expenditures	<u>611,978</u>	<u>677,821</u>	<u>957,847</u>	<u>(280,026)</u>
REVENUE OVER				
(UNDER) EXPENDITURES	<u>2,396</u>	<u>(46,715)</u>	<u>197,296</u>	<u>244,011</u>
Other Financing Sources (Uses):				
Transfers in	156,455	156,455	156,455	-
Transfers out	<u>(154,388)</u>	<u>(154,388)</u>	<u>(315,673)</u>	<u>(161,285)</u>
Total Other Financing Sources (Uses)	<u>2,067</u>	<u>2,067</u>	<u>(159,218)</u>	<u>(161,285)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,463</u>	<u>\$ (44,648)</u>	<u>38,078</u>	<u>\$ 82,726</u>
FUND BALANCE:				
Beginning of Year			<u>387,745</u>	
End of Year			<u>\$ 425,823</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Prop 172 Sales Tax Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 291,000	\$ 291,000	\$ 350,725	\$ 59,725
Investment income	131	131	233	102
Total Revenues	<u>291,131</u>	<u>291,131</u>	<u>350,958</u>	<u>59,827</u>
Expenditures:				
Current:				
Public safety	287,275	287,275	256,769	30,506
Total Expenditures	<u>287,275</u>	<u>287,275</u>	<u>256,769</u>	<u>30,506</u>
REVENUE OVER				
(UNDER) EXPENDITURES	<u>3,856</u>	<u>3,856</u>	<u>94,189</u>	<u>90,333</u>
NET CHANGE IN FUND BALANCE	<u>\$ 3,856</u>	<u>\$ 3,856</u>	<u>94,189</u>	<u>\$ 90,333</u>
FUND BALANCE:				
Beginning of Year			<u>71,281</u>	
End of Year			<u>\$ 165,470</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 755,935	\$ 755,935	\$ 567,222	\$ (188,713)
Investment income	2,064	2,064	17,358	15,294
Miscellaneous	-	-	29,860	29,860
Total Revenues	<u>757,999</u>	<u>757,999</u>	<u>614,440</u>	<u>(143,559)</u>
Expenditures:				
Current:				
Community development	380,409	828,744	381,905	446,839
Capital outlay	114,500	140,200	24,881	115,319
Total expenditures	<u>494,909</u>	<u>968,944</u>	<u>406,786</u>	<u>562,158</u>
REVENUE OVER				
(UNDER) EXPENDITURES	<u>263,090</u>	<u>(210,945)</u>	<u>207,654</u>	<u>418,599</u>
Other Financing Sources (Uses):				
Transfers out	-	-	(34,768)	(34,768)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(34,768)</u>	<u>(34,768)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 263,090</u>	<u>\$ (210,945)</u>	<u>172,886</u>	<u>\$ 383,831</u>
FUND BALANCE:				
Beginning of Year			1,679,321	
End of Year			<u>\$ 1,852,207</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Rehabilitation Loans Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 2	\$ 2	\$ -	\$ (2)
Total revenues	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
Net Change in Fund Balances	<u>\$ 2</u>	<u>\$ 2</u>	<u>-</u>	<u>\$ (2)</u>
Fund balances:				
Beginning of year			230	
End of year			<u>\$ 230</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Trust Fund Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 10,674	\$ 10,674	\$ 4,679	\$ (5,995)
Miscellaneous	251,000	251,000	560,640	309,640
Total revenues	<u>261,674</u>	<u>261,674</u>	<u>565,319</u>	<u>303,645</u>
Expenditures:				
Current:				
Community development	618,325	618,325	636,489	(18,164)
Total expenditures	<u>618,325</u>	<u>618,325</u>	<u>636,489</u>	<u>(18,164)</u>
Revenues over (under)				
expenditures	<u>(356,651)</u>	<u>(356,651)</u>	<u>(71,170)</u>	<u>285,481</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (356,651)</u>	<u>\$ (356,651)</u>	<u>(71,170)</u>	<u>\$ 285,481</u>
Fund balances:				
Beginning of year			2,712,388	
End of year			<u>\$ 2,641,218</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Facilities District Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 453,167	\$ 453,167	\$ 490,550	\$ 37,383
Investment income	7,383	7,383	4,773	(2,610)
Total revenues	<u>460,550</u>	<u>460,550</u>	<u>495,323</u>	<u>34,773</u>
Expenditures:				
Current:				
Public works	364,683	364,683	381,856	(17,173)
Total expenditures	<u>364,683</u>	<u>364,683</u>	<u>381,856</u>	<u>(17,173)</u>
Net Change in Fund Balances	<u>\$ 95,867</u>	<u>\$ 95,867</u>	113,467	<u>\$ 17,600</u>
Fund balances:				
Beginning of year			1,362,873	
End of year			<u>\$ 1,476,340</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure B Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 1,996,600	\$ 1,996,600	\$ 22,633	\$ (1,973,967)
Investment income	31,816	31,816	6,603	(25,213)
Total revenues	<u>2,028,416</u>	<u>2,028,416</u>	<u>29,236</u>	<u>(1,999,180)</u>
Expenditures:				
Current:				
Public works	10,000	10,000	8,356	1,644
Capital outlay	1,800,000	1,800,000	106	1,799,894
Total expenditures	<u>1,810,000</u>	<u>1,810,000</u>	<u>8,462</u>	<u>1,801,538</u>
Net Change in Fund Balances	<u>\$ 218,416</u>	<u>\$ 218,416</u>	20,774	<u>\$ (197,642)</u>
Fund balances:				
Beginning of year			<u>2,041,136</u>	
End of year			<u>\$ 2,061,910</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Vehicle License Fee Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 384,940	\$ 384,940	\$ 345,979	\$ (38,961)
Investment income	9,522	9,522	3,299	(6,223)
Total revenues	<u>394,462</u>	<u>394,462</u>	<u>349,278</u>	<u>(45,184)</u>
Expenditures:				
Current:				
Public works	25,000	49,559	7,905	41,654
Capital outlay	192,610	240,520	15,077	225,443
Total expenditures	<u>217,610</u>	<u>290,079</u>	<u>22,982</u>	<u>267,097</u>
Revenues over (under)				
expenditures	<u>176,852</u>	<u>104,383</u>	<u>326,296</u>	<u>221,913</u>
Net Change in Fund Balances	<u>\$ 176,852</u>	<u>\$ 104,383</u>	<u>326,296</u>	<u>\$ 221,913</u>
Fund balances:				
Beginning of year			<u>685,488</u>	
End of year			<u>\$ 1,011,784</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Los Arroyos Fund Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 204,722	\$ 204,722
Investment income	2,715	2,715	1,987	(728)
Total revenues	<u>2,715</u>	<u>2,715</u>	<u>206,709</u>	<u>203,994</u>
Revenues over (under)				
expenditures	<u>2,715</u>	<u>2,715</u>	<u>206,709</u>	<u>203,994</u>
Net Change in Fund Balances	<u>\$ 2,715</u>	<u>\$ 2,715</u>	<u>206,709</u>	<u>\$ 203,994</u>
Fund balances:				
Beginning of year			<u>407,538</u>	
End of year			<u>\$ 614,247</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CalHome Funds Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 47,277	\$ 47,277
Investment income	1,530	1,530	1,169	(361)
Miscellaneous	-	-	18,559	18,559
Total revenues	<u>1,530</u>	<u>1,530</u>	<u>67,005</u>	<u>65,475</u>
Net Change in Fund Balances	<u>\$ 1,530</u>	<u>\$ 1,530</u>	67,005	<u>\$ 65,475</u>
Fund balances:				
Beginning of year			294,243	
End of year			<u>\$ 361,248</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 34,823	\$ 34,823	\$ 20,384	\$ (14,439)
Total revenues	<u>34,823</u>	<u>34,823</u>	<u>20,384</u>	<u>(14,439)</u>
Expenditures:				
Capital outlay	<u>1,340,000</u>	<u>2,646,485</u>	<u>52,623</u>	<u>2,593,862</u>
Total expenditures	<u>1,340,000</u>	<u>2,646,485</u>	<u>52,623</u>	<u>2,593,862</u>
Revenues over (under)				
expenditures	<u>(1,305,177)</u>	<u>(2,611,662)</u>	<u>(32,239)</u>	<u>2,579,423</u>
Other financing sources (uses):				
Transfers in	-	550,000	250,000	(300,000)
Transfers out	<u>-</u>	<u>(63,502)</u>	<u>-</u>	<u>63,502</u>
Total other financing sources (uses)	<u>-</u>	<u>486,498</u>	<u>250,000</u>	<u>(236,498)</u>
Net Change in Fund Balances	<u>\$ (1,305,177)</u>	<u>\$ (2,125,164)</u>	<u>217,761</u>	<u>\$ 2,342,925</u>
Fund balances:				
Beginning of year			<u>5,276,537</u>	
End of year			<u>\$ 5,494,298</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
BANS 2009 Financing Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 233	\$ 233	\$ -	\$ (233)
Total revenues	<u>233</u>	<u>233</u>	<u>-</u>	<u>(233)</u>
Revenues over (under)				
expenditures	<u>233</u>	<u>233</u>	<u>-</u>	<u>(233)</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(34,968)</u>	<u>(34,968)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(34,968)</u>	<u>(34,968)</u>
Net Change in Fund Balances	<u>\$ 233</u>	<u>\$ 233</u>	<u>(34,968)</u>	<u>\$ (35,201)</u>
Fund balances:				
Beginning of year			<u>34,968</u>	
End of year			<u>\$ -</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Traffic Impact Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Charges for services	\$ 6,381,349	\$ 6,381,349	\$ 4,991,929	\$ (1,389,420)
Investment income	84,344	84,344	56,572	(27,772)
Total revenues	<u>6,465,693</u>	<u>6,465,693</u>	<u>5,048,501</u>	<u>(1,417,192)</u>
Expenditures:				
Current:				
Public works	182,526	182,526	6,635	175,891
Capital outlay	11,987,266	12,768,027	1,861,090	10,906,937
Total expenditures	<u>12,169,792</u>	<u>12,950,553</u>	<u>1,867,725</u>	<u>11,082,828</u>
Revenues over (under) expenditures	<u>(5,704,099)</u>	<u>(6,484,860)</u>	<u>3,180,776</u>	<u>9,665,636</u>
Other financing sources (uses):				
Transfers in	48,769	48,769	48,769	-
Total other financing sources (uses)	<u>48,769</u>	<u>48,769</u>	<u>48,769</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (5,655,330)</u>	<u>\$ (6,436,091)</u>	<u>3,229,545</u>	<u>\$ 9,665,636</u>
Fund balances:				
Beginning of year			<u>14,258,526</u>	
End of year			<u>\$ 17,488,071</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Storm Drains Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ 131,710	\$ 131,710	\$ 34,506	\$ (97,204)
Investment income	19,944	19,944	16,752	(3,192)
Total revenues	<u>151,654</u>	<u>151,654</u>	<u>51,258</u>	<u>(100,396)</u>
Expenditures:				
Current:				
Public works	5,188	40,512	39,622	890
Total expenditures	<u>5,188</u>	<u>40,512</u>	<u>39,622</u>	<u>890</u>
Revenues over (under)				
expenditures	<u>146,466</u>	<u>111,142</u>	<u>11,636</u>	<u>(99,506)</u>
Other financing sources (uses):				
Transfers in	72,038	72,038	1,196	(70,842)
Total other financing sources (uses)	<u>72,038</u>	<u>72,038</u>	<u>1,196</u>	<u>(70,842)</u>
Net Change in Fund Balances	<u>\$ 218,504</u>	<u>\$ 183,180</u>	12,832	<u>\$ (170,348)</u>
Fund balances:				
Beginning of year			2,078,854	
End of year			<u>\$ 2,091,686</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Trees Development Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Charges for services	\$ 2,000	\$ 2,000	\$ 481	\$ (1,519)
Investment income	920	920	453	(467)
Total revenues	<u>2,920</u>	<u>2,920</u>	<u>934</u>	<u>(1,986)</u>
Other financing sources (uses):				
Transfers in	<u>27</u>	<u>27</u>	<u>27</u>	<u>-</u>
Total other financing sources (uses)	<u>27</u>	<u>27</u>	<u>27</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 2,947</u>	<u>\$ 2,947</u>	961	<u>\$ (1,986)</u>
Fund balances:				
Beginning of year			<u>139,092</u>	
End of year			<u>\$ 140,053</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Sewer Development Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ 3,445,586	\$ 3,445,586	\$ 3,552,755	\$ 107,169
Investment income	95,900	95,900	64,441	(31,459)
Total revenues	<u>3,541,486</u>	<u>3,541,486</u>	<u>3,617,196</u>	<u>75,710</u>
Expenditures:				
Current:				
Public works	21,582	56,906	56,017	889
Total expenditures	<u>21,582</u>	<u>56,906</u>	<u>56,017</u>	<u>889</u>
Revenues over (under)				
expenditures	<u>3,519,904</u>	<u>3,484,580</u>	<u>3,561,179</u>	<u>76,599</u>
Other financing sources (uses):				
Transfers in	369,061	369,061	28,351	(340,710)
Transfers out	(694,146)	(694,146)	(708,865)	(14,719)
Total other financing sources (uses)	<u>(325,085)</u>	<u>(325,085)</u>	<u>(680,514)</u>	<u>(355,429)</u>
Net Change in Fund Balances	<u>\$ 3,194,819</u>	<u>\$ 3,159,495</u>	<u>2,880,665</u>	<u>\$ (278,830)</u>
Fund balances:				
Beginning of year			13,182,409	
End of year			<u>\$ 16,063,074</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Development Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Charges for services	\$ 1,035,539	\$ 1,035,539	\$ 981,863	\$ (53,676)
Investment income	32,093	32,093	19,582	(12,511)
Total revenues	<u>1,067,632</u>	<u>1,067,632</u>	<u>1,001,445</u>	<u>(66,187)</u>
Expenditures:				
Current:				
Public works	5,606	584,678	40,041	544,637
Capital outlay	2,665,300	2,665,300	16,020	2,649,280
Total expenditures	<u>2,670,906</u>	<u>3,249,978</u>	<u>56,061</u>	<u>3,193,917</u>
Revenues over (under) expenditures	<u>(1,603,274)</u>	<u>(2,182,346)</u>	<u>945,384</u>	<u>3,127,730</u>
Other financing sources (uses):				
Transfers in	5,893	5,893	5,893	-
Total other financing sources (uses)	<u>5,893</u>	<u>5,893</u>	<u>5,893</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (1,597,381)</u>	<u>\$ (2,176,453)</u>	<u>951,277</u>	<u>\$ 3,127,730</u>
Fund balances:				
Beginning of year			<u>5,102,067</u>	
End of year			<u>\$ 6,053,344</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gilroy Community Library Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income (loss)	\$ -	\$ -	\$ (47,412)	\$ (47,412)
Total revenues	-	-	(47,412)	(47,412)
 Revenues over (under)				
expenditures	-	-	(47,412)	(47,412)
 Other financing sources (uses):				
Transfers in	-	-	9,658	9,658
Total other financing sources (uses)	-	-	9,658	9,658
 Net Change in Fund Balances	\$ -	\$ -	(37,754)	\$ (37,754)
 Fund balances:				
Beginning of year			5,258,960	
End of year			\$ 5,221,206	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Utility Undergrounding Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Expenditures:				
Current:				
General government	-	-	8	(8)
Total expenditures	-	-	8	(8)
Revenues over (under)				
expenditures	-	-	(8)	(8)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(8)	<u>\$ (8)</u>
Fund balances:				
Beginning of year			8	
End of year			<u>\$ -</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Bank Interest Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 54	\$ 54
Total revenues	-	-	54	54
Revenues over (under)				
expenditures	-	-	54	54
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	54	\$ 54
Fund balances:				
Beginning of year			(54)	
End of year			\$ -	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
2013 Refunding Bond Debt Service Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 910	\$ 910	\$ 1,107	\$ 197
Total revenues	<u>910</u>	<u>910</u>	<u>1,107</u>	<u>197</u>
Expenditures:				
Current:				
General government	8,600	8,600	3,832	4,768
Debt service:				
Principal retirement	990,000	990,000	990,000	-
Interest and fiscal charges	848,019	848,019	848,019	-
Total expenditures	<u>1,846,619</u>	<u>1,846,619</u>	<u>1,841,851</u>	<u>4,768</u>
Revenues over (under)				
expenditures	<u>(1,845,709)</u>	<u>(1,845,709)</u>	<u>(1,840,744)</u>	<u>4,965</u>
Other financing sources (uses):				
Transfers in	1,838,019	1,838,019	1,838,019	-
Total other financing sources (uses)	<u>1,838,019</u>	<u>1,838,019</u>	<u>1,838,019</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (7,690)</u>	<u>\$ (7,690)</u>	<u>(2,725)</u>	<u>\$ 4,965</u>
Fund balances:				
Beginning of year			1,007,121	
End of year			<u>\$ 1,004,396</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gilroy Community Library Debt Service Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 1,979,906	\$ 1,979,906	\$ 1,909,924	\$ (69,982)
Investment income	5,166	5,166	4,196	(970)
Total revenues	<u>1,985,072</u>	<u>1,985,072</u>	<u>1,914,120</u>	<u>(70,952)</u>
Expenditures:				
Current:				
General government	600	600	5,735	(5,135)
Debt service:				
Principal retirement	1,022,696	1,022,696	1,022,696	-
Interest and fiscal charges	812,294	812,294	812,294	-
Total expenditures	<u>1,835,590</u>	<u>1,835,590</u>	<u>1,840,725</u>	<u>(5,135)</u>
Net Change in Fund Balances	<u>\$ 149,482</u>	<u>\$ 149,482</u>	73,395	<u>\$ (76,087)</u>
Fund balances:				
Beginning of year			<u>1,237,715</u>	
End of year			<u>\$ 1,311,110</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CA Energy Commission Loan Debt Service Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 244	\$ 244	\$ 65	\$ (179)
Total revenues	<u>244</u>	<u>244</u>	<u>65</u>	<u>(179)</u>
Expenditures:				
Debt service:				
Principal retirement	92,433	92,433	92,433	-
Interest and fiscal charges	<u>7,429</u>	<u>7,429</u>	<u>7,429</u>	<u>-</u>
Total expenditures	<u>99,862</u>	<u>99,862</u>	<u>99,862</u>	<u>-</u>
Revenues over (under)				
expenditures	<u>(99,618)</u>	<u>(99,618)</u>	<u>(99,797)</u>	<u>(179)</u>
Other financing sources (uses):				
Transfers in	<u>99,863</u>	<u>99,863</u>	<u>99,863</u>	<u>-</u>
Total other financing sources (uses)	<u>99,863</u>	<u>99,863</u>	<u>99,863</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 245</u>	<u>\$ 245</u>	<u>66</u>	<u>\$ (179)</u>
Fund balances:				
Beginning of year			<u>20,033</u>	
End of year			<u>\$ 20,099</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Lease Revenue Bonds Series 2020A Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 2,186	\$ 2,186
Total revenues	<u>-</u>	<u>-</u>	<u>2,186</u>	<u>2,186</u>
Expenditures:				
Current:				
General government	8,600	8,600	3,810	4,790
Debt service:				
Principal retirement	715,000	715,000	715,000	-
Interest and fiscal charges	629,625	629,625	629,625	-
Total expenditures	<u>1,353,225</u>	<u>1,353,225</u>	<u>1,348,435</u>	<u>4,790</u>
Revenues over (under)				
expenditures	<u>(1,353,225)</u>	<u>(1,353,225)</u>	<u>(1,346,249)</u>	<u>6,976</u>
Other financing sources (uses):				
Transfers in	1,344,625	1,344,625	1,344,690	65
Total other financing sources (uses)	<u>1,344,625</u>	<u>1,344,625</u>	<u>1,344,690</u>	<u>65</u>
Net Change in Fund Balances	<u>\$ (8,600)</u>	<u>\$ (8,600)</u>	<u>(1,559)</u>	<u>\$ 7,041</u>
Fund balances:				
Beginning of year			675,113	
End of year			<u>\$ 673,554</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Refunding Lease 2010 Debt Service Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Other financing sources (uses):				
Transfers out	-	-	(65)	(65)
Total other financing sources (uses)	-	-	(65)	(65)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(65)	<u>\$ (65)</u>
Fund balances:				
Beginning of year			65	
End of year			<u>\$ -</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Henry Miller Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 115	\$ 115	\$ -	\$ (115)
Total revenues	<u>115</u>	<u>115</u>	<u>-</u>	<u>(115)</u>
Revenues over (under)				
expenditures	<u>115</u>	<u>115</u>	<u>-</u>	<u>(115)</u>
Net Change in Fund Balances	<u>\$ 115</u>	<u>\$ 115</u>	<u>-</u>	<u>\$ (115)</u>
Fund balances:				
Beginning of year			15,053	
End of year			<u>\$ 15,053</u>	

City of Gilroy
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Museum Trust Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 299	\$ 229	\$ 938	\$ 709
Total revenues	<u>299</u>	<u>229</u>	<u>938</u>	<u>709</u>
Revenues over (under)				
expenditures	<u>299</u>	<u>229</u>	<u>938</u>	<u>709</u>
Net Change in Fund Balances	<u>\$ 299</u>	<u>\$ 229</u>	<u>938</u>	<u>\$ 709</u>
Fund balances:				
Beginning of year			<u>9,554</u>	
End of year			<u>\$ 10,492</u>	

INTERNAL SERVICE FUNDS

These funds account for goods or services provided to other departments of the City where the intent of the City is that the costs of these goods or services are to be recovered through interdepartmental charges at the time that the goods are delivered or the services rendered to those departments.

Fleet Services - This fund is used to account for the operations required to maintain the City's vehicles. The costs are recovered through an annual "user fee" which is charged to all departments/funds that have vehicle use. This fund also provides funding for replacement of all the City's vehicles on an "as needed" basis.

Equipment Outlay - This fund is used to allocate resources intended for the purchase of General Fund equipment costing more than \$1,000.

Workers' Compensation - This fund is used to account for all expenses relating to workers' compensation (i.e., injury claims, insurance premiums, etc.). The costs are recovered through an annual "user fee" which is charged to all departments/funds that have employees.

General Liability - This fund is used to account for all expenses relating to the City's general liability insurance. The costs are recovered through an annual "user fee" which is charged to various funds.

Facility Services - This fund is used to account for all expenses relating to the operation and maintenance of City facilities. The costs are recovered through an annual "user fee" which is charged to all departments/funds that have facilities.

Information Technologies - This fund is used to account for all expenses relating to computer hardware, software, maintenance, capital purchasing and other service charges. The costs are recovered through an annual "user fee" which is charged to all departments/funds that have computer equipment.

Personnel Benefits - This fund is used for City paid benefits which are charged. Examples include medical, dental, disability, unemployment, life insurance and retirement including PERS and PARS. These benefit costs are allocated to the funds based on budget for three quarters and then reconciled to actual in the fourth quarter.

City of Gilroy
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
ASSETS				
Current assets:				
Cash and investments	\$ 3,655,384	\$ 3,088,520	\$ 4,002,420	\$ 3,016,296
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Lease receivable - current	-	-	-	-
Prepaid items	-	-	-	-
Total current assets	3,655,384	3,088,520	4,002,420	3,016,296
Noncurrent assets:				
Interfund loans receivable	2,748,630	-	-	-
Lease receivable -noncurrent	-	-	-	-
Capital assets:				
Nondepreciable	42,411	4,404	-	-
Depreciable, net	3,577,752	623,903	-	-
Total capital assets	3,620,163	628,307	-	-
Total noncurrent assets	6,368,793	628,307	-	-
Total assets	10,024,177	3,716,827	4,002,420	3,016,296
LIABILITIES				
Current Liabilities:				
Accounts payable	4,750	10,495	565	12,478
Accrued liabilities	38,888	-	-	320
Deposit payable	-	-	-	-
Compensated absences, current portion	2,200	-	-	-
Claims payable, current portion	-	-	1,062,000	634,997
Total current liabilities	45,838	10,495	1,062,565	647,795
Noncurrent liabilities:				
Compensated absences	19,919	-	-	-
Claims payable	-	-	5,607,000	1,387,287
Total noncurrent liabilities	19,919	-	5,607,000	1,387,287
Total liabilities	65,757	10,495	6,669,565	2,035,082
DEFERRED INFLOW OF RESOURCES				
Deferred inflow of resources related to leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION:				
Investment in capital assets	3,620,163	628,307	-	-
Unrestricted	6,338,257	3,078,025	(2,667,145)	981,214
Total net position	\$ 9,958,420	\$ 3,706,332	\$ (2,667,145)	\$ 981,214

(Continued)

City of Gilroy
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2022

	Facility Services	Information Technologies	Personnel Benefits	Total
ASSETS				
Current assets:				
Cash and investments	\$ 2,079,718	3,214,800	\$ 1,356,600	\$ 20,413,738
Accounts receivable	23,573	-	9	23,582
Interest receivable	746	-	-	746
Lease receivable - current	87,681	-	-	87,681
Prepaid items	-	85,675	-	85,675
Total current assets	2,191,718	3,300,475	1,356,609	20,611,422
Noncurrent assets:				
Interfund loans receivable	-	-	-	2,748,630
Lease receivable - noncurrent	712,138	-	-	712,138
Capital assets:				
Nondepreciable	345,210	2,291,454	-	2,683,479
Depreciable, net	-	311,036	-	4,512,691
Total capital assets	345,210	2,602,490	-	7,196,170
Total noncurrent assets	1,057,348	2,602,490	-	10,656,938
Total assets	3,249,066	5,902,965	1,356,609	31,268,360
LIABILITIES				
Current Liabilities:				
Accounts payable	210,411	258,097	15,771	512,567
Accrued liabilities	105,588	40,228	1,340,534	1,525,558
Deposit payable	4,276	-	-	4,276
Compensated absences, current portion	3,900	3,300	-	9,400
Claims payable, current portion	-	-	-	1,696,997
Total current liabilities	324,175	301,625	1,356,305	3,748,798
Noncurrent liabilities:				
Compensated absences	35,177	29,585	-	84,681
Claims payable	-	-	-	6,994,287
Total noncurrent liabilities	35,177	29,585	-	7,078,968
Total liabilities	359,352	331,210	1,356,305	10,827,766
	769,135	-	-	769,135
	769,135	-	-	769,135
NET POSITION:				
Investment in capital assets	345,210	2,602,490	-	7,196,170
Unrestricted	1,775,369	2,969,265	304	12,475,289
TOTAL NET POSITION	\$ 2,120,579	\$ 5,571,755	\$ 304	\$ 19,671,459

(Concluded)

City of Gilroy
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2022

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
OPERATING REVENUES:				
Charges for services	\$ 1,918,339	\$ -	\$ 1,534,915	\$ 1,521,869
Claims and judgements	-	-	-	560,152
Miscellaneous	-	-	-	636,285
Total operating revenues	1,918,339	-	1,534,915	2,718,306
OPERATING EXPENSES:				
Current:				
Operations	1,907,222	46,901	16,752	-
Depreciation	503,186	114,296	-	-
Administration	-	-	138,624	19,851
Claims and judgments	19,046	-	3,863,535	-
Insurance premiums	-	-	345,284	1,876,028
Total operating expenses	2,429,454	161,197	4,364,195	1,895,879
OPERATING INCOME (LOSS)	(511,115)	(161,197)	(2,829,280)	822,427
NONOPERATING REVENUES:				
Investment income	55,750	21,188	12,134	8,787
Total nonoperating revenues	55,750	21,188	12,134	8,787
INCOME (LOSS) BEFORE TRANSFERS	(455,365)	(140,009)	(2,817,146)	831,214
CHANGES IN NET POSITION	(455,365)	(140,009)	(2,817,146)	831,214
NET POSITION:				
Beginning of year	10,413,785	3,846,341	150,001	150,000
End of year	<u>\$ 9,958,420</u>	<u>\$ 3,706,332</u>	<u>\$ (2,667,145)</u>	<u>\$ 981,214</u>

(Continued)

City of Gilroy
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2022

	Facility Services	Information Technologies	Personnel Benefits	Total
OPERATING REVENUES:				
Charges for services	\$ 3,392,664	\$ 2,565,395	\$ 16,805,392	\$ 27,738,574
Claims and judgements	-	-	-	560,152
Miscellaneous	307,422	8,618	-	952,325
Total operating revenues	3,700,086	2,574,013	16,805,392	29,251,051
OPERATING EXPENSES:				
Current:				
Operations	3,309,621	3,088,808	18,801,392	27,170,696
Depreciation	-	82,203	-	699,685
Administration	-	-	-	158,475
Claims and judgments	37,279	-	-	3,919,860
Insurance premiums	-	-	-	2,221,312
Total operating expenses	3,346,900	3,171,011	18,801,392	34,170,028
OPERATING INCOME (LOSS)	353,186	(596,998)	(1,996,000)	(4,918,977)
NONOPERATING REVENUES:				
Investment income	14,343	10,507	-	122,709
Total nonoperating revenues	14,343	10,507	-	122,709
INCOME (LOSS) BEFORE TRANSFERS	367,529	(586,491)	(1,996,000)	(4,796,268)
CHANGES IN NET POSITION	367,529	(586,491)	(1,996,000)	(4,796,268)
NET POSITION:				
Beginning of year	1,753,050	6,158,246	1,996,304	24,467,727
End of year	\$ 2,120,579	\$ 5,571,755	\$ 304	\$ 19,671,459

(Concluded)

City of Gilroy
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Fleet Services	Equipment Outlay	Workers' Compensation	General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 1,918,339	\$ -	\$ 1,534,915	\$ 2,718,306
Cash paid to suppliers for goods and services	(2,052,519)	(78,119)	(154,811)	(51,285)
Cash paid to employees for services	-	(732)	-	(66)
Cash paid for insurance claims	(19,046)	-	(1,132,673)	(2,619,702)
Net cash provided by (used in) operating activities	(153,226)	(78,851)	247,431	47,253
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	241,262	901,150	-	-
Net cash provided by noncapital financing activities	241,262	901,150	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(183,137)	(255,723)	-	-
Net cash (used in) capital and related financing activities	(183,137)	(255,723)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	55,750	21,188	12,134	8,787
Net cash provided by investing activities	55,750	21,188	12,134	8,787
Net change in cash and cash equivalents	(39,351)	587,764	259,565	56,040
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Beginning of year	3,694,735	2,500,756	3,742,855	2,960,256
End of year	<u>\$ 3,655,384</u>	<u>\$ 3,088,520</u>	<u>\$ 4,002,420</u>	<u>\$ 3,016,296</u>
CASH AND CASH EQUIVALENTS:				
Cash and investments	\$ 3,655,384	\$ 3,088,520	\$ 4,002,420	\$ 3,016,296
Total cash and cash equivalents	\$ 3,655,384	\$ 3,088,520	\$ 4,002,420	\$ 3,016,296
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ (511,115)	\$ (161,197)	\$ (2,829,280)	\$ 822,427
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	503,186	114,296	-	-
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	-	-	-	-
(Increase)/decrease in lease receivables	-	-	-	-
(Increase)/decrease in inventory	43,575	-	-	-
(Increase)/decrease in prepaid items	-	-	-	-
Increase/(decrease) in accounts payable	(203,770)	(31,218)	565	(31,434)
Increase/(decrease) in accrued liabilities	11,142	(732)	-	(66)
Increase/(decrease) in deposit payable	-	-	-	-
Increase/(decrease) in compensated absences	3,756	-	-	-
Increase/(decrease) in claims payable	-	-	3,076,146	(743,674)
Increase/(decrease) in deferred inflows of resources lease related	-	-	-	-
Net cash provided by (used in) operating activities	\$ (153,226)	\$ (78,851)	\$ 247,431	\$ 47,253

City of Gilroy
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2022

	Facility Services	Information Technologies	Personnel Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 3,667,357	\$ 2,574,013	\$ 16,805,383	\$ 29,218,313
Cash paid to suppliers for goods and services	(3,162,008)	(3,273,411)	(17,907,129)	(26,679,282)
Cash paid to employees for services	-	(5,289)	-	(6,087)
Cash paid for insurance claims	(37,279)	-	-	(3,808,700)
Net cash provided by (used in) operating activities	468,070	(704,687)	(1,101,746)	(1,275,756)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	-	-	-	1,142,412
Net cash provided by noncapital financing activities	-	-	-	1,142,412
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(345,210)	(724,068)	-	(1,508,138)
Net cash (used in) capital and related financing activities	(345,210)	(724,068)	-	(1,508,138)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	13,597	10,507	-	121,963
Net cash provided by investing activities	13,597	10,507	-	121,963
Net change in cash and cash equivalents	136,457	(1,418,248)	(1,101,746)	(1,519,519)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Beginning of year	1,943,261	4,633,048	2,458,346	21,933,257
End of year	<u>\$ 2,079,718</u>	<u>\$ 3,214,800</u>	<u>\$ 1,356,600</u>	<u>\$ 20,413,738</u>
CASH AND CASH EQUIVALENTS:				
Cash and investments	<u>\$ 2,079,718</u>	<u>\$ 3,214,800</u>	<u>\$ 1,356,600</u>	<u>\$ 20,413,738</u>
Total cash and cash equivalents	<u>\$ 2,079,718</u>	<u>\$ 3,214,800</u>	<u>\$ 1,356,600</u>	<u>\$ 20,413,738</u>
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ 353,186	\$ (596,998)	\$ (1,996,000)	\$ (4,918,977)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	82,203	-	699,685
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	(6,321)	-	(9)	(6,330)
(Increase)/decrease in lease receivables	(799,819)	-	-	(799,819)
(Increase)/decrease in inventory	-	-	-	43,575
(Increase)/decrease in prepaid items	-	(73,591)	-	(73,591)
Increase/(decrease) in accounts payable	93,795	(111,012)	12,812	(270,262)
Increase/(decrease) in accrued liabilities	49,142	546	881,451	941,483
Increase/(decrease) in deposit payable	4,276	-	-	4,276
Increase/(decrease) in compensated absences	4,676	(5,835)	-	2,597
Increase/(decrease) in claims payable	-	-	-	2,332,472
Increase/(decrease) in deferred inflows of resources lease related	769,135	-	-	769,135
Net cash provided by (used in) operating activities	<u>\$ 468,070</u>	<u>\$ (704,687)</u>	<u>\$ (1,101,746)</u>	<u>\$ (1,275,756)</u>

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Fiduciary Funds

These funds account for assets held by the City on behalf of other organizations.

Custodial Funds

Senior Advisory Board - This fund is used to account for revenues that come from fundraising and donations. The funds are used to buy equipment for the Senior Center.

Highway 152 Series 2018 - This fund is used to account for special assessments collected and pay the bonded indebtedness for the Highway 152 Series 2018 Bonds.

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City of Gilroy
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds		
	Senior Advisory Board	Highway 152 Series 2018	Total
Assets:			
Cash and investments	\$ 8,886	\$ 830,860	\$ 839,746
Cash and investments with fiscal agent	-	290,688	290,688
Total Assets	<u>8,886</u>	<u>1,121,548</u>	<u>1,130,434</u>
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	8,886	1,121,548	1,130,434
Total Net Position	<u>\$ 8,886</u>	<u>\$ 1,121,548</u>	<u>\$ 1,130,434</u>

City of Gilroy
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Custodial Funds		
	Senior Advisory Board	Highway 152 Series 2018	Total
ADDITIONS:			
Taxes	\$ -	\$ 922,700	\$ 922,700
Investment income	-	163	163
Other income	500	-	500
Total additions	500	922,863	923,363
DEDUCTIONS			
General administration	-	15,357	15,357
Payments on conduit bonds - principal	-	774,579	774,579
Payments on conduit bonds - interest	-	110,034	110,034
Total deductions	-	899,970	899,970
CHANGE IN NET POSITION	500	22,893	23,393
NET POSITION:			
Beginning of year, as restated	8,386	1,098,655	1,107,041
End of year	<u>\$ 8,886</u>	<u>\$ 1,121,548</u>	<u>\$ 1,130,434</u>

STATISTICAL SECTION

CITY OF

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STATISTICAL SECTION

(Unaudited)

This part of the City of Gilroy's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	174-183
<i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	184-193
<i>These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	194-201
<i>These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	203-204
<i>These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	205-208
<i>These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

City of Gilroy
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017
Governmental Activities:					
Net investment in capital assets	\$ 170,944,637	\$ 162,950,296	\$ 167,625,947	\$ 159,684,128	\$ 154,863,285
Restricted	19,616,322	24,277,233	22,320,085.00	35,564,991	41,636,040
Unrestricted	26,414,676	28,892,199	(26,524,001)	(25,032,197)	(25,229,815)
Total governmental activities net position	216,975,635	216,119,728	163,422,031	170,216,922	171,269,510
Business-type Activities:					
Net investment in capital assets	91,165,074	88,728,174	90,335,349	90,917,108	88,183,287
Restricted	-	-	-	-	-
Unrestricted	82,012,944	85,736,094	84,832,390	88,668,400	93,612,020
Total business-type activities net position	173,178,018	174,464,268	175,167,739	179,585,508	181,795,307
Primary Government:					
Net investment in capital assets	262,109,711	251,678,470	257,961,296	250,601,236	243,046,572
Restricted	19,616,322	24,277,233	22,320,085	35,564,991	41,636,040
Unrestricted	108,427,620	114,628,293	58,308,389	63,636,203	68,382,205
Total primary government net position	\$ 390,153,653	\$ 390,583,996	\$ 338,589,770	\$ 349,802,430	\$ 353,064,817

City of Gilroy
Net Position By Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2018	2019	2020	2021	2022
Governmental Activities:					
Net investment in capital assets	\$ 159,069,886	\$ 156,750,373	\$ 151,904,792	\$ 149,891,568	\$ 147,079,194
Restricted	48,731,281	49,688,804	57,137,761	57,570,568	71,627,654
Unrestricted	(36,193,491)	(37,759,850)	(42,674,183)	(42,545,831)	(28,023,535)
Total governmental activities net position	171,607,676	168,679,327	166,368,370	164,916,305	190,683,313
Business-type Activities:					
Net investment in capital assets	87,336,604	91,134,932	86,503,324	83,119,598	73,389,328
Restricted	-	-	-	-	-
Unrestricted	98,375,675	100,053,259	97,543,664	99,198,302	109,250,688
Total business-type activities net position	185,712,279	191,188,191	184,046,988	182,317,900	182,640,016
Primary Government:					
Net investment in capital assets	246,406,490	247,885,305	238,408,116	233,011,166	220,468,522
Restricted	48,731,281	49,688,804	57,137,761	57,570,568	71,627,654
Unrestricted	62,182,184	62,293,409	54,869,481	56,652,471	81,227,153
Total primary government net position	\$ 357,319,955	\$ 359,867,518	\$ 350,415,358	\$ 347,234,205	\$ 373,323,329

City of Gilroy
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses:					
Governmental activities:					
General government	\$ 3,732,098	\$ 3,795,033	\$ 3,619,582	\$ 3,900,226	\$ 6,437,408
Public safety	28,747,964	29,696,344	30,273,444	31,020,245	33,393,829
Community development	15,485,705	14,824,460	15,901,215	21,413,283	19,167,193
Public works	7,686,862	7,726,938	7,807,765	8,217,318	8,978,597
Recreation services	-	-	-	-	-
Interest and other charges	3,226,789	3,744,396	3,406,855	3,327,992	3,256,733
Total governmental activities expenses	58,879,418	59,787,171	61,008,861	67,879,064	71,233,760
Business-type activities					
Sewer	10,206,770	9,929,622	9,806,990	12,298,662	12,060,236
Water	8,081,041	8,642,660	8,329,710	8,370,320	9,197,426
Total business-type activities expenses	18,287,811	18,572,282	18,136,700	20,668,982	21,257,662
Total primary government expenses	\$ 77,167,229	\$ 78,359,453	\$ 79,145,561	\$ 88,548,046	\$ 92,491,422
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 1,119,217	\$ 1,415,106	\$ 2,096,137	\$ 1,651,713	\$ 3,087,335
Public safety	1,004,530	897,059	1,030,410	1,146,593	1,439,418
Community development	3,866,305	5,434,764	7,385,391	6,145,791	5,207,571
Public works	757,445	810,503	886,988	978,780	986,582
Recreation services	-	-	-	-	-
Operating grants and contributions	14,091,083	15,057,119	13,109,933	22,838,535	15,860,767
Capital grants and contributions	3,207,487	3,157,642	8,999,636	3,820,892	5,438,560
Total governmental activities program revenues	24,046,067	26,772,193	33,508,495	36,582,304	32,020,233
Business-type activities:					
Charges for services:					
Sewer	8,441,024	10,359,334	-	11,984,798	12,833,030
Water	8,179,888	8,640,784	-	7,330,300	9,156,082
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,410,773	179,707	-	5,086,464	1,172,844
Total business-type activities program revenues	18,031,685	19,179,825	-	24,401,562	23,161,956
Total primary government program revenues	\$ 42,077,752	\$ 45,952,018	\$ 33,508,495	\$ 60,983,866	\$ 55,182,189
Net revenue (expense):					
Governmental activities	\$ (34,833,351)	\$ (33,014,978)	\$ (27,500,366)	\$ (31,296,760)	\$ (39,213,527)
Business-type activities	(256,126)	607,543	(18,136,700)	3,732,580	1,904,294
Total primary government net expense	\$ (35,089,477)	\$ (32,407,435)	\$ (45,637,066)	\$ (27,564,180)	\$ (37,309,233)

City of Gilroy
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2018	2019	2020	2021	2022
Expenses:					
Governmental activities:					
General government	\$ 7,315,065	\$ 7,696,445	\$ 6,131,791	\$ 7,315,868	\$ 10,224,823
Public safety	35,591,790	37,837,438	40,088,865	40,797,962	38,706,978
Community development	19,211,323	18,348,409	8,556,959	7,147,532	7,689,175
Public works	9,654,957	9,526,627	23,525,423	16,862,660	13,840,272
Recreation services	-	-	-	1,779,121	1,600,210
Interest and other charges	3,147,606	3,226,849	2,431,588	2,081,420	2,089,473
Total governmental activities expenses	<u>74,920,741</u>	<u>76,635,768</u>	<u>80,734,626</u>	<u>75,984,563</u>	<u>74,150,931</u>
Business-type activities					
Sewer	11,538,388	14,044,716	14,668,434	15,820,944	12,678,990
Water	9,937,768	11,777,220	12,603,780	16,435,598	10,930,989
Total business-type activities expenses	<u>21,476,156</u>	<u>25,821,936</u>	<u>27,272,214</u>	<u>32,256,542</u>	<u>23,609,979</u>
Total primary government expenses	<u>\$ 96,396,897</u>	<u>\$ 102,457,704</u>	<u>\$ 108,006,840</u>	<u>\$ 108,241,105</u>	<u>\$ 97,760,910</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 3,280,977	\$ 3,726,486	\$ 3,550,758	\$ 2,815,647	\$ 4,595,133
Public safety	959,277	1,234,017	1,188,951	1,242,281	476,918
Community development	6,430,321	6,624,477	3,909,360	4,185,811	3,346,864
Public works	977,834	1,009,235	715,299	3,593,959	1,317,695
Recreation services	-	-	-	223,154	599,265
Operating grants and contributions	19,389,757	13,146,274	14,247,635	16,482,904	15,464,192
Capital grants and contributions	10,319,300	2,649,021	1,931,458	2,000,357	18,227,036
Total governmental activities program revenues	<u>41,357,466</u>	<u>28,389,510</u>	<u>25,543,461</u>	<u>30,544,113</u>	<u>44,027,103</u>
Business-type activities:					
Charges for services:					
Sewer	12,961,285	12,904,657	12,872,189	12,702,398	12,912,113
Water	11,343,036	12,294,119	14,590,973	14,830,153	13,959,847
Operating grants and contributions	-	-	-	-	414,952
Capital grants and contributions	2,330,335	4,160,510	2,439,117	2,511,059	566,140
Total business-type activities program revenues	<u>26,634,656</u>	<u>29,359,286</u>	<u>29,902,279</u>	<u>30,043,610</u>	<u>27,853,052</u>
Total primary government program revenues	<u>\$ 67,992,122</u>	<u>\$ 57,748,796</u>	<u>\$ 55,445,740</u>	<u>\$ 60,587,723</u>	<u>\$ 71,880,155</u>
Net revenue (expense):					
Governmental activities	\$ (33,563,275)	\$ (48,246,258)	\$ (55,191,165)	\$ (45,440,450)	\$ (30,123,828)
Business-type activities	5,158,500	3,537,350	2,630,065	(2,212,932)	4,243,073
Total primary government net expense	<u>\$ (28,404,775)</u>	<u>\$ (44,708,908)</u>	<u>\$ (52,561,100)</u>	<u>\$ (47,653,382)</u>	<u>\$ (25,880,755)</u>

City of Gilroy
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
General revenues and other changes in net position:					
Governmental Activities:					
Taxes:					
Property taxes	\$ 9,462,337	\$ 9,728,458	\$ 10,862,568	\$ 11,468,510	\$ 12,278,553
Sales tax	14,114,277	14,423,130	15,858,910	17,884,735	17,768,469
Transient occupancy taxes	1,092,486	1,234,798	1,501,837	1,676,691	1,709,332
Franchise tax	1,326,364	1,408,045	1,463,770	1,569,059	1,623,951
Other taxes	4,694,440	4,759,067	4,905,868	5,116,588	5,264,486
Investment income	350,105	630,095	619,139	647,057	900,622
State motor vehicle in lieu	26,670	22,072	21,479	21,385	24,715
Other	390,812	632,113	164,321	392,815	15,188
Transfers	(669,940)	(678,707)	(689,011)	(685,189)	(305,505)
Total governmental activities	30,787,551	32,159,071	34,708,881	38,091,651	39,279,811
Business-type activities:					
Investment and rental income	-	-	-	-	-
Other	-	-	-	-	-
Transfers	669,940	678,707	689,011	685,189	305,505
Total business-type activities	669,940	678,707	689,011	685,189	305,505
Total primary government	\$ 31,457,491	\$ 32,837,778	\$ 35,397,892	\$ 38,776,840	\$ 39,585,316
Changes in net position:					
Governmental activities	\$ (4,045,800)	\$ (855,907)	\$ 7,208,515	\$ 6,794,891	\$ 66,284
Business-type activities	413,814	1,286,250	3,800,429	4,417,769	2,209,799
Total primary government	\$ (3,631,986)	\$ 430,343	\$ 11,008,944	\$ 11,212,660	\$ 2,276,083
Net Position (Net Assets), Beginning	\$ 397,364,877	\$ 390,153,653	\$ 390,583,996	\$ 338,589,770	\$ 348,802,430
Beginning Fund Balance Restatement ⁽¹⁾	(3,579,238)	-	(63,003,170)	-	-
Changes in Net Position (Net Assets)	(3,631,986)	430,343	11,008,944	11,212,660	2,276,083
Net Position (Net Assets), Ending	\$ 390,153,653	\$ 390,583,996	\$ 338,589,770	\$ 349,802,430	\$ 351,078,513

⁽¹⁾ Net Position, as restated in FY 2020, 2018, 2015 and 2013

City of Gilroy
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2018	2019	2020	2021	2022
General revenues and other changes in net position:					
Governmental Activities:					
Taxes:					
Property taxes	\$ 13,161,002	\$ 14,476,481	\$ 15,595,639	\$ 17,016,855	\$ 20,294,522
Sales tax	18,827,189	20,186,105	17,233,882	18,584,534	23,216,109
Transient occupancy taxes	1,722,355	1,771,882	1,237,812	1,105,300	1,545,721
Franchise tax	1,713,690	1,669,817	1,855,622	1,732,613	1,874,046
Other taxes	5,192,899	5,093,813	5,667,201	5,030,153	6,107,309
Investment income	1,190,732	2,567,147	2,039,471	502,770	(418,588)
State motor vehicle in lieu	29,444	26,695	-	-	-
Other	571,340	166,316	127,479	644,291	3,345,996
Transfers	1,241,528	(640,347)	(447,847)	(641,121)	(74,279)
Total governmental activities	43,650,179	45,317,909	43,309,259	43,975,395	55,890,836
Business-type activities:					
Investment and rental income	-	1,298,215	1,169,133	(157,277)	(4,011,115)
Other	-	-	-	-	15,879
Transfers	(1,241,528)	640,347	447,847	641,121	74,279
Total business-type activities	(1,241,528)	1,938,562	1,616,980	483,844	(3,920,957)
Total primary government	\$ 42,408,651	\$ 47,256,471	\$ 44,926,239	\$ 44,459,239	\$ 51,969,879
Changes in net position:					
Governmental activities	\$ 10,086,904	\$ (3,209,094)	\$ (11,881,906)	\$ (1,465,055)	\$ 25,767,008
Business-type activities	3,916,972	5,475,912	4,247,045	(1,729,088)	322,116
Total primary government	\$ 14,003,876	\$ 2,266,818	\$ (7,634,861)	\$ (3,194,143)	\$ 26,089,124
Net Position (Net Assets), Beginning					
Beginning Fund Balance Restatement ⁽¹⁾	343,316,059	357,319,955	358,050,219	350,428,348	347,234,205
Changes in Net Position (Net Assets)	14,003,876	2,266,818	(7,634,861)	(3,194,143)	26,089,124
Net Position (Net Assets), Ending	\$ 357,319,935	\$ 359,586,773	\$ 350,415,358	\$ 347,234,205	\$ 373,323,329

⁽¹⁾ Net Position, as restated in FY 2020, 2018, 2015 and 2013

City of Gilroy
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
General fund:					
Nonspendable	\$ 45,003	\$ 52,592	\$ 74,622	\$ 84,923	\$ 74,217
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	23,038,183	22,291,553	21,316,940	22,202,316	24,354,609
Total general fund	<u>\$ 23,083,186</u>	<u>\$ 22,344,145</u>	<u>\$ 21,391,562</u>	<u>\$ 22,287,239</u>	<u>\$ 24,428,826</u>
All other governmental funds:					
Nonspendable	5,454,973	9,265	9,265	8,670	9,470
Restricted	31,995,403	41,474,238	40,117,010	44,922,496	50,775,875
Assigned	226,654	576,889	544,284	2,827,521	1,588,907
Unassigned	(12,423,935)	(11,866,882)	(12,884,818)	(7,883,587)	(5,761,804)
Total all other governmental funds	<u>\$ 25,253,095</u>	<u>\$ 30,193,510</u>	<u>\$ 27,785,741</u>	<u>\$ 39,875,100</u>	<u>\$ 46,612,448</u>

City of Gilroy
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2018	2019	2020	2021	2022
General fund:					
Nonspendable	\$ 126,965	\$ 76,000	\$ 126,915	\$ 47,874	\$ 739
Restricted	-	-			1,983,396
Committed	-	-	-	-	5,572,376
Assigned	-	-			-
Unassigned	25,475,105	27,683,870	14,731,555	19,585,369	30,349,205
Total general fund	<u>\$ 25,602,070</u>	<u>\$ 27,759,870</u>	<u>\$ 14,858,470</u>	<u>\$ 19,633,243</u>	<u>\$ 37,905,716</u>
All other governmental funds:					
Nonspendable	25,570	1,000	706,754	-	-
Restricted	55,248,281	57,445,219	57,421,683	58,391,239	67,727,936
Assigned	1,448,954	1,483,818	5,368,008	5,276,579	5,494,298
Unassigned	(2,841,776)	(4,206,362)	(6,380,638)	(5,397,542)	-
Total all other governmental funds	<u>\$ 53,881,029</u>	<u>\$ 54,723,675</u>	<u>\$ 57,115,807</u>	<u>\$ 58,270,276</u>	<u>\$ 73,222,234</u>

City of Gilroy
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues:					
Taxes	\$ 33,041,266	\$ 33,902,225	\$ 37,190,336	\$ 40,177,903	\$ 41,350,739
Licenses and permits	2,071,569	2,088,024	2,847,912	3,720,755	2,713,733
Intergovernmental	5,258,266	5,235,608	3,260,688	4,291,272	3,748,000
Charges for services	13,944,828	17,081,714	17,396,590	24,960,535	18,973,863
Developer impact fees					
Fines	251,313	226,220	281,580	266,163	293,899
Special assessments	-	-	-	-	-
Investment income (loss)	385,744	697,612	600,960	608,641	762,671
Contribution from property owners	-	-	-	-	-
Miscellaneous	1,035,480	1,464,470	2,128,737	2,059,106	1,604,397
Total revenues	55,988,466	60,695,873	63,706,803	76,084,375	69,447,302
Expenditures:					
General government	3,793,066	4,073,708	4,025,604	4,532,241	4,906,824
Public safety	26,416,606	27,448,432	28,845,371	29,867,361	30,830,873
Public works	6,029,323	6,072,624	6,322,864	6,764,060	7,231,274
Recreation services					
Community development	14,393,211	10,031,035	16,393,573	14,675,204	11,052,313
Capital outlay					
Debt service:					
Principal retirement	1,350,000	25,745,000	2,215,000	2,305,000	2,459,619
Interest	3,319,071	3,525,898	3,557,829	3,479,710	3,410,441
Bond issuance costs	-	275,515	2,582	-	-
Total expenditures	55,301,277	77,172,212	61,362,823	61,623,576	59,891,344
Excess of revenues over (under) expenditures	687,189	(16,476,339)	2,343,980	14,460,799	9,555,958
Other Financing Sources (Uses):					
Transfers in	3,746,485	3,574,115	4,318,330	6,803,782	4,233,745
Transfers out	(7,616,425)	(7,154,454)	(11,012,940)	(8,521,471)	(4,910,768)
Issuance of loan/notes	-	-	959,229	241,926	-
Issuance of bonds	-	23,120,000	-	-	-
Payment to refunded bond escrow					
Payment to bond excrow agent	-	-	-	-	-
Premium on bonds	-	1,138,052	-	-	-
Total other financing sources (uses)	(3,869,940)	20,677,713	(5,735,381)	(1,475,763)	(677,023)
Net Change in fund balances	\$ (3,182,751)	\$ 4,201,374	\$ (3,391,401)	\$ 12,985,036	\$ 8,878,935
Fund balances - July 1	51,519,032	48,336,281	52,568,704	49,177,303	62,162,339
Fund balances - June 30	\$ 48,336,281	\$ 52,537,655	\$ 49,177,303	\$ 62,162,339	\$ 71,041,274
Debt service as a percentage of noncapital expenditures	9.57%	38.74%	9.55%	9.53%	9.95%

City of Gilroy
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

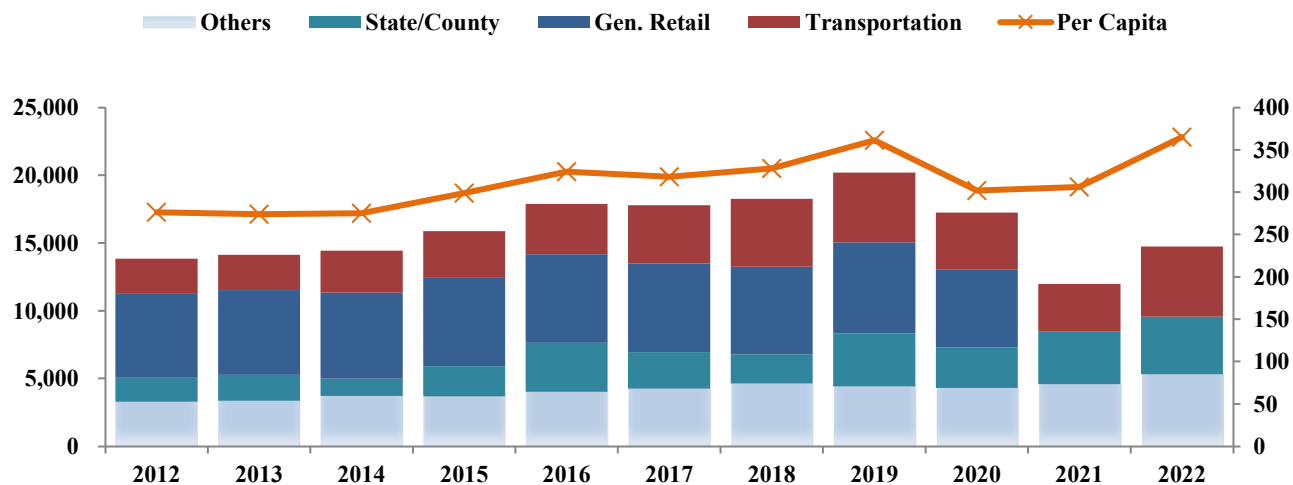
	Fiscal Year				
	2018	2019	2020	2021	2022
Revenues:					
Taxes	\$ 43,512,402	\$ 51,483,855	\$ 44,269,937	\$ 45,916,497	\$53,037,707
Licenses and permits	2,751,137	3,487,338	1,776,651	2,278,304	2,672,186
Intergovernmental	4,047,728	3,913,484	5,473,529	6,612,274	14,805,279
Charges for services	22,820,605	11,501,828	13,951,822	17,484,867	7,380,631
Developer impact fees	-	-	-	-	18,227,036
Fines	208,305	239,873	282,535	231,688	262,403
Special assessments	-	-	-	-	-
Investment income (loss)	1,084,408	1,247,543	1,884,149	358,452	(541,243)
Contribution from property owners	-	-	-	-	-
Miscellaneous	1,635,888	1,990,459	1,348,130	2,867,269	4,023,213
Total revenues	76,060,473	73,864,380	68,986,753	75,749,351	99,867,212
Expenditures:					
General government	5,103,946	5,760,831	6,361,042	5,931,022	7,949,662
Public safety	31,781,515	34,062,421	36,867,887	35,856,183	37,687,794
Public works	7,723,166	7,831,193	7,897,645	7,231,722	6,094,830
Recreation services	-	-	-	1,702,666	1,463,448
Community development	14,993,509	15,421,483	19,143,243	5,523,912	5,535,526
Capital outlay	-	-	-	6,243,057	2,639,733
Debt service:					
Principal retirement	2,558,818	2,654,708	2,986,212	2,817,325	2,820,129
Interest	3,302,252	3,448,556	3,011,707	2,784,374	2,377,338
Bond issuance costs	-	112,903	-	-	-
Total expenditures	65,463,206	69,292,095	76,267,736	68,090,261	66,568,460
Excess of revenues over (under) expenditures	10,597,267	4,572,285	(7,280,983)	7,659,090	33,298,752
Other Financing Sources (Uses):					
Transfers in	4,503,781	4,236,075	8,937,984	24,306,099	6,603,536
Transfers out	(6,659,253)	(5,876,422)	(12,905,997)	(24,953,804)	(6,677,815)
Issuance of loan/notes	-	-	-	-	-
Issuance of bonds	-	-	19,087,551	16,459,825	-
Payment to refunded bond escrow	-	-	(19,350,000)	(17,555,000)	-
Payment to bond escrow agent	-	(8,565,000)	-	-	-
Premium on bonds	-	8,633,538	-	-	-
Total other financing sources (uses)	(2,155,472)	(1,571,809)	(4,230,462)	(1,742,880)	(74,279)
Net Change in fund balances	\$ 8,441,795	\$ 3,000,476	\$ (11,511,445)	\$ 5,916,210	\$ 33,224,473
Fund balances - July 1	71,041,274	79,483,069	83,485,722	71,987,267	77,903,477
Fund balances - June 30	\$ 79,483,069	\$ 82,483,545	\$ 71,974,277	\$ 77,903,477	\$ 111,127,950
Debt service as a percentage of noncapital expenditures	9.08%	9.09%	7.96%	9.05%	8.85%

City of Gilroy

Sales Tax by Category

Last Eleven Fiscal Years

CATEGORY	Fiscal Year				
	2012	2013	2014	2015	2016
Outlet Center	\$ 2,833,256	\$ 2,845,863	\$ 2,867,431	\$ 2,899,778	\$ 2,747,030
Newman Development	2,131,034	2,201,623	2,230,855	2,332,215	2,426,698
Regency Center	940,836	949,436	946,073	965,112	999,738
Downtown Core	224,977	271,227	296,354	316,595	356,687
General Retail	6,130,103	6,268,149	6,340,713	6,513,700	6,530,153
Auto Dealers	1,045,717	1,131,680	1,649,758	2,136,541	2,633,013
Service Stations	1,543,421	1,457,239	1,442,888	1,292,736	1,094,398
Transportation	2,589,138	2,588,919	3,092,646	3,429,277	3,727,411
Others	3,284,517	3,344,680	3,697,010	3,695,108	4,018,337
Allocation from State and County	1,829,803	1,912,529	1,292,761	2,220,825	3,608,834
TOTALS:	\$ 13,833,561	\$ 14,114,277	\$ 14,423,130	\$ 15,858,910	\$ 17,884,735
Population	50,081	51,505	52,413	53,000	55,170
Sales Tax Per Capita	276	274	275	299	324



Source: MBIA MuniServices Company
 State of California, Department of Finance, Population Estimates for California Cities

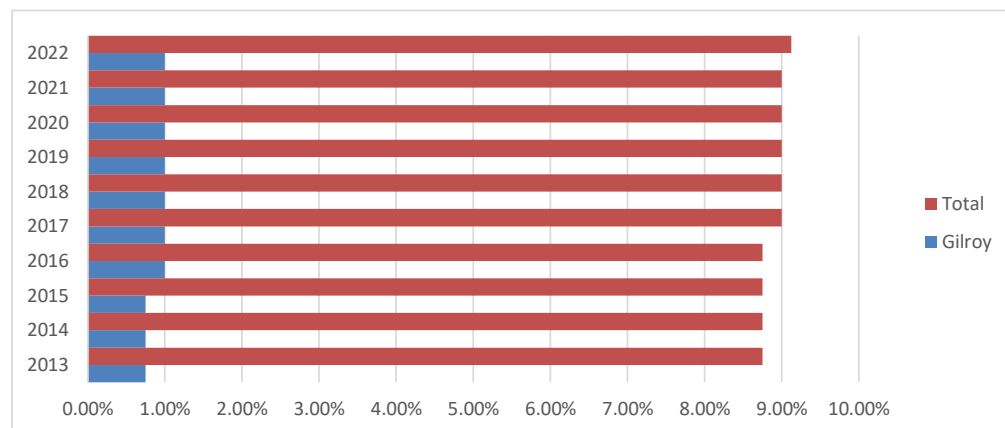
City of Gilroy
Sales Tax by Category (Continued)
Last Ten Fiscal Years

CATEGORY	Fiscal Year					
	2017	2018	2019	2020	2021	2022
Outlet Center	\$ 2,669,216	\$ 2,571,713	\$ 2,464,617	\$ 1,739,806	\$ 1,869,275	\$ 2,042,775
Newman Development	2,500,961	2,529,804	2,743,665	2,643,207	2,955,455	3,251,290
Regency Center	968,005	987,417	1,004,376	896,599	1,000,140	1,028,435
Downtown Core	398,344	385,497	505,600	472,427	512,427	547,587
General Retail	6,536,526	6,474,431	6,718,258	5,752,039	6,337,297	6,870,087
Auto Dealers	3,224,719	3,691,038	3,855,166	3,056,022	2,446,254	3,609,865
Service Stations	1,064,232	1,290,582	1,298,298	1,129,189	1,085,319	1,572,748
Transportation	4,288,951	4,981,620	5,153,464	4,185,211	3,531,573	5,182,613
Others	4,263,541	4,632,323	4,418,367	4,294,454	4,580,258	5,317,890
Allocation from State and County	2,679,451	2,152,877	3,896,016	3,002,179	3,867,949	4,238,018
TOTALS:	<u>\$ 17,768,469</u>	<u>\$ 18,241,251</u>	<u>\$ 20,186,105</u>	<u>\$ 17,233,883</u>	<u>\$ 18,317,077</u>	<u>\$ 21,608,608</u>
Population	55,936	55,615	55,928	57,084	59,920	59,269
Sales Tax Per Capita	318	328	361	302	306	365

Source: MBIA MuniServices Company
State of California, Department of Finance, Population Estimates for California Cities

**City of Gilroy
Sales Tax Rates
Last Ten Fiscal Years**

Agency	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
State of California	6.500%	6.500%	6.500%	6.250%	6.000%	6.000%	6.000%	6.000%	6.000%	6.000%
Santa Clara County (SCC) Transportation Funds	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
City of Gilroy	0.750%	0.750%	0.750%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
SCC Retail Transactions and Use Tax	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%
SCC Transactions and Use Tax	-	-	-	-	-	-	-	-	-	-
SCC Transit District	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
SCC Valley Transportation Authority	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
SCC VTA Bay Area Rapid Transit	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%
Silicon Valley Transportation Solutions Tax	-	-	-	-	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
2020 Peninsula Corridor JPB Retail Transactions and Use Tax	-	-	-	-	-	-	-	-	-	0.125%
Total	8.750%	8.750%	8.750%	8.750%	9.000%	9.000%	9.000%	9.000%	9.000%	9.125%



Source: California Department of Tax and Fee Administration

City of Gilroy
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2021-22		2012-13	
Taxpayer	Business Type	Taxpayer	Business Type
Arco AM/PM Mini Marts	Service Stations	Arco AM/PM Mini Marts	Service Stations
Best Buy Stores	Furniture/Appliance	Best Buy Stores	Furniture/Appliance
Chevron Service Stations	Service Stations	Calvin Klein	Apparel Stores
Costco Wholesale	Department Stores	Chevron Service Stations	Service Stations
Freeway Toyota of Gilroy	Auto Sales - New	Coach Stores	Apparel Stores
Gilroy Buick GMC	Auto Sales - New	Costco Wholesale	Department Stores
Gilroy Chevrolet Cadillac	Auto Sales - New	Gilroy Auto Outlet	Auto Sales - New
Gilroy Chrysler Dodge Jeep Ram	Auto Sales - New	Gilroy Chevrolet Cadillac	Auto Sales - New
Gilroy Toyota	Auto Sales - New	Gilroy Gas & Mini-Mart	Service Stations
Happy Daze RV's	Misc. Vehicle Sales	Gilroy Toyota	Auto Sales - New
Home Depot	Bldg.Matls-Retail	Home Depot	Bldg.Matls-Retail
Hyundai Of Gilroy	Auto Sales - New	JN Abbott Distributor	Energy Sales
Lenovo	I.T. Infrastructure	Kohl's Department Stores	Department Stores
Lowe's Home Centers	Bldg.Matls-Retail	Lowe's Home Improvement	Bldg.Matls-Retail
McDonald'S Restaurants	Restaurants	Nike Factory Store	Apparel Stores
Nike Factory Store	Apparel Stores	Polo Ralph Lauren	Apparel Stores
Ross Stores	Apparel Stores	Rotten Robbie Service Stations	Service Stations
Rotten Robbie Service Stations	Service Stations	See-Grins RV	Misc. Vehicle Sales
See Grins RV	Misc. Vehicle Sales	South County Chrysler Plymouth	Auto Sales - New
Shell Service Stations	Service Stations	South County Nissan	Auto Sales - New
Target Stores	Department Stores	Target Stores	Department Stores
Tesla	Auto Sales - New	The Garlic Farm Travel Center	Service Stations
Union 76 Service Stations	Service Stations	TV's Gas & Foodmart	Service Stations
Vans	Apparel Stores	Valero Service Stations	Service Stations
Wal Mart Stores	Department Stores	Wal Mart Stores	Department Stores

Source: MuniServices, LLC / Avenu Insights & Analytics

City of Gilroy
Citywide Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year End	Local Secured*	Homeowner Exempt Valuation	Net Local Secured	Net Utility	Net Unsecured	Net Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)	Assessed Value as a Percentage of Actual Value
2012-13	5,467,139,776	46,209,800	5,420,929,976	72,086,470	266,918,393	5,759,934,839	0.902963	-	-	-
2013-14	5,913,805,270	46,463,200	5,867,342,070	64,186,470	260,981,844	6,192,510,384	0.902963	-	-	-
2014-15	6,395,754,046	46,050,200	6,349,703,846	52,530,836	265,879,967	6,668,114,649	0.902963	-	-	-
2015-16	6,798,621,370	45,871,000	6,752,750,370	47,030,836	268,445,327	7,068,226,533	0.902963	-	-	-
2016-17	7,385,130,561	46,578,000	7,338,552,561	42,130,836	273,713,487	7,654,396,884	0.902963	-	-	-
2017-18	7,872,947,886	47,244,400	7,825,703,486	39,330,836	263,667,226	8,128,701,548	0.097037	10,250,699,087	1.261050	79.30%
2018-19	8,445,397,378	48,090,000	8,397,307,378	38,939,704	256,724,279	8,692,971,361	0.097037	11,893,042,148	1.368122	73.09%
2019-20	9,001,686,593	47,874,400	8,953,812,193	32,539,704	257,410,089	9,243,761,986	0.097037	16,306,012,109	1.764002	56.69%
2020-21	9,557,360,668	47,341,000	9,510,019,668	29,739,704	267,854,749	9,807,614,121	0.097037	11,688,408,441	1.191769	83.91%
2021-22	9,968,898,669	46,512,200	9,922,386,469	27,039,704	293,294,693	10,242,720,866	0.097037	14,183,999,567	1.384788	72.21%

Source: Santa Clara County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

Source: 2016-17 and prior, previously published ACFR.

*Local secured is net of other exemptions.

1.) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 02-000.

2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

City of Gilroy
Assessed Value of Property by Use Code
Last Five Fiscal Year

Category	2017-18	2018-19	2019-20	2020-21	2021-22
Residential	6,316,795,853	6,846,995,669	7,292,373,081	7,766,498,649	8,150,395,267
Commercial	848,468,930	899,654,270	931,059,983	989,793,738	1,013,695,555
Industrial	483,919,877	479,091,993	538,635,466	667,191,707	638,120,876
Vacant	162,759,148	-	216,844,260	163,403,099	192,863,417
Professional	101,593,308	17,961,578	108,709,436	110,337,229	116,626,048
Institutional	109,350,727	112,041,055	111,348,784	65,615,240	90,554,109
Agriculture	55,688,053	47,135,427	52,895,647	38,226,087	38,372,143
Public	17,729,263	104,675,187	23,763,391	31,201,356	37,443,425
Transportation	2,107,545	193,663,876	28,585,319	28,569,765	27,777,083
Unitary	39,330,836	38,939,704	32,539,704	29,739,704	27,039,704
Recreational	16,969,672	22,525,565	23,001,970	22,973,251	23,200,859
Social	18,281,904	18,604,008	19,463,964	19,888,529	20,081,552
Forestry	1,773,940	6,830,161	6,966,865	7,106,317	7,180,104
Unknown	-	2,149,694	-	-	-
Gross Secured Value	8,174,769,056	8,790,268,187	9,386,187,870	9,940,544,671	10,383,350,142
Unsecured Value	265,619,082	260,824,323	261,877,511	272,030,637	297,421,158
Less Exemptions	311,686,590	358,121,149	404,303,395	404,961,187	438,050,434
Net Taxable Value	8,128,701,548	8,692,971,361	9,243,761,986	9,807,614,121	10,242,720,866

Source: Santa Clara County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

Use code categories are based on Santa Clara County Assessor's data

City of Gilroy
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2012-13	2013-14	2014-15	2015-16	2016-17
Basic City and County Levy					
City Direct Rate	0.097037	0.097037	0.097037	0.097037	0.097037
All others	0.902963	0.902963	0.902963	0.902963	0.902963
	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
County Retire Levy	0.038800	0.038800	0.038800	0.038800	0.038800
County Library	0.002400	0.002400	0.002400	0.002400	0.002400
VMC 2008	0.005100	0.003500	0.009100	0.008800	0.008600
County Housing Bond 2016	0.000000	0.000000	0.000000	0.000000	0.000000
Gilroy City Bond 2008	0.036500	0.034000	0.034000	0.029000	0.027200
Gilroy Unified School 2002	0.057100	0.058000	0.056600	0.052200	0.050100
Gilroy Unified 11/2008	0.047200	0.056400	0.059900	0.054900	0.051300
Gilroy Unified 2016	0.000000	0.000000	0.000000	0.000000	0.060000
Gavilan Community College 04	0.025700	0.024800	0.023900	0.022600	0.021600
Gavilan Jt CCD 2018	0.000000	0.000000	0.000000	0.000000	0.000000
Lease Debt-Gilroy Unified	0.000000	0.000000	0.000000	0.000000	0.000000
Lease Debt-Gilroy Unified Priorye	0.000000	0.000000	0.000000	0.000000	0.000000
SCVWD-State Water Project	0.006900	0.007000	0.006500	0.005700	0.008600
	0.219700	0.224900	0.231200	0.214400	0.268600
TOTAL TAX RATE	1.219700	1.224900	1.231200	1.214400	1.268600

Source: Santa Clara County Auditor data, MuniServices, LLC / Avenu Insights & Analytics

Source: 2016-17 and prior: previously published ACFR

This table shows rates for TRA 02-000.

City of Gilroy
Direct and Overlapping Property Tax Rates (Continued)
Last Ten Fiscal Years

	2017-18	2018-19	2019-20	2020-21	2021-22
Basic City and County Levy					
City Direct Rate	0.097037	0.097037	0.097037	0.097037	0.097037
All others	0.902963	0.902963	0.902963	0.902963	0.902963
	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
County Retire Levy	0.038800	0.038800	0.038800	0.038800	0.038800
County Library	0.002400	0.002400	0.002400	0.002400	0.002400
VMC 2008	0.008200	0.007200	0.006900	0.006900	0.006100
County Housing Bond 2016	0.012660	0.010500	0.010000	0.000000	0.012660
Gilroy City Bond 2008	0.026000	0.025000	0.020000	0.019000	0.017500
Gilroy Unified School 2002	0.047800	0.046700	0.044400	0.042800	0.037000
Gilroy Unified 11/2008	0.049100	0.046300	0.054400	0.054100	0.052700
Gilroy Unified 2016	0.055900	0.015400	0.053400	0.055000	0.050900
Gavilan Community College 04	0.020000	0.019200	0.018700	0.018400	0.017900
Gavilan Jt CCD 2018	0.000000	0.000000	0.024400	0.023200	0.024100
Lease Debt-Gilroy Unified	0.000000	0.000000	0.000000	0.000000	0.000000
Lease Debt-Gilroy Unified Priorye	0.000000	0.000000	0.000000	0.000000	0.000000
SCVWD-State Water Project	0.006200	0.004200	0.004100	0.003700	0.005100
	0.267060	0.215700	0.277500	0.264300	0.265160
TOTAL TAX RATE	1.267060	1.215700	1.277500	1.264300	1.265160

City of Gilroy
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2021-22		2012-13	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Simon Property Group	223,375,964	2.18%	192,498,625	3.38%
Olam West Coast Inc	75,011,158	0.73%	64,283,724	1.13%
United Natural Foods West Inc	66,993,926	0.65%		
Excel Gilroy LLC	65,618,760	0.64%	82,146,096	1.44%
MG At Gilroy LP	56,231,000	0.55%		
Mabury Vineyards LLC	54,932,735	0.54%		
Performance Food Group Inc	49,331,081	0.48%		
WalMart Real Est Bus Trt	35,807,144	0.35%	30,171,526	0.53%
Amazon Data Services Inc	31,285,000	0.31%		
KB Home South Bay Inc	30,400,000	0.30%		
E P & G South Valley Plaza LLC	28,381,819	0.28%		
Central Valley Coalition	26,115,882	0.25%		
Towman Cadena LLC	26,028,078	0.25%		
CaLPine Gilroy Cogen LP	25,517,381	0.25%		
Monterey Gourmet Foods	25,404,152	0.25%		
Costco Wholesale Corp A WS Corp	24,293,412	0.24%	20,412,717	0.36%
Gilroy Plant 70	23,479,243	0.23%		
Avery Cypress Pointe LP	22,261,533	0.22%	12,962,551	0.23%
Canciamilla Anthony Trustee	22,227,918	0.22%		
Target Corporation	18,200,733	0.18%	15,684,850	0.28%
First Street Gilroy I LLC	18,185,387	0.18%		
Gilroy Self Storage Partners LLC	17,383,090	0.17%		
Mission Park Gilroy LLC	17,179,612	0.17%	14,780,116	0.26%
HD Development Of Maryland,Inc	17,075,763	0.17%	14,715,382	0.26%
Lee James Trustee	16,818,855	0.16%		
Inland Western Gilroy I LLC			55,783,142	0.98%
Shapell Industries Inc			39,505,344	0.69%
7610 Isabella Way LLC			35,820,423	0.63%
South Valley Apts LLC			34,380,146	0.60%
Tin Inc			25,903,435	0.46%
Land Department			21,596,902	0.38%
CP6SV LLC			21,271,069	0.37%
Chinatown LLC			19,870,588	0.35%
McCarthy Gilroy LLC			18,479,586	0.32%
Sterigenics U S LLC			18,177,970	0.32%
Lowes Hiw Inc A Ws Corp			15,669,167	0.28%
Pulmuone Foods Usa Inc			14,886,583	0.26%
Gilroy Village Shopping Center			13,810,791	0.24%
Santa Teresa Properties LLC			13,704,151	0.24%
Town Place LLC			12,758,423	0.22%
Country Estates Venture			11,732,816	0.21%
Total Top 25 Taxpayers	1,017,539,626	9.93%	821,006,123	14.43%
Total Taxable Value	10,242,720,866	100.00%	5,687,848,369	100.00%

City of Gilroy
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Tax Levied for the Fiscal Year	Amount Collected	Percent (%) of Levy
2012-13	\$ 5,634,085	\$ 5,622,101	99.79%
2013-14	\$ 6,054,088	\$ 6,029,696	99.60%
2014-15	\$ 6,515,197	\$ 6,547,657	100.50%
2015-16	\$ 6,903,278	\$ 6,963,327	100.87%
2016-17	\$ 7,472,764	\$ 7,487,528	100.20%
2017-18	\$ 7,941,242	\$ 7,941,242	100.00%
2018-19	\$ 8,521,868	\$ 8,521,868	100.00%
2019-20	\$ 9,060,136	\$ 9,060,136	100.00%
2020-21	\$ 9,598,648	\$ 9,598,648	100.00%
2021-22	\$ 9,990,898	\$ 9,990,898	100.00%

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2016-17 and prior, previously published ACFR

City of Gilroy
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities						
Fiscal Year	General Revenue Bonds ⁽⁴⁾⁽⁵⁾⁽⁶⁾	Tax Allocation Bonds	Notes & Loans	Lease Revenue Bonds ⁽⁴⁾	Special Assessment Bonds	Revenue Bonds
2012	33,860,997	-	24,340,000	24,438,409	-	-
2013	33,162,870	-	24,340,000	23,710,455	-	-
2014	32,434,743	-	-	47,182,360	-	-
2015	31,681,616	-	959,229	45,587,503	-	-
2016	30,893,489	-	1,201,155	43,937,647	-	-
2017	30,080,362	-	1,126,536	42,232,790	-	-
2018	29,247,235	-	1,082,253	40,462,933	-	-
2019	28,305,209	-	948,011	38,623,072	-	-
2020	26,630,459	-	857,428	35,710,000	-	-
2021	25,639,646	-	765,913	30,160,000	-	-
2022	24,616,950	-	673,484	28,455,000	-	-

Note: Details regarding the outstanding debt can be found in the notes to the basic financial statements.

Source:

- ⁽¹⁾ Finance Department, City of Gilroy
- ⁽²⁾ Finance Department, County of Santa Clara
- ⁽³⁾ In 2010, the City issued revenue refunding bonds to refinance an existing installment payment obligation.
- ⁽⁴⁾ Presented net of related premiums, discounts, and adjustments.
- ⁽⁵⁾ GO Bonds Series 2009 refinanced on June 1, 2019 to Series 2019 A.
- ⁽⁶⁾ GO Bonds Series 2010 refinanced on November 5, 2019 to Series 2019 B.
- ⁽⁷⁾ 2021 Wastewater Revenue Bonds Series A issued June 2021.

City of Gilroy
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

Fiscal Year	Business-Type Activities		% of Property Net Assessed Value ⁽²⁾	Debt per Capita
	Wastewater Revenue Bonds ^{(3) (4) (7)}	Total Primary Government ⁽¹⁾		
2012	24,237,585	106,876,991	1.85%	2,134
2013	22,384,827	103,598,152	1.80%	2,011
2014	20,477,068	100,094,171	1.62%	1,910
2015	18,519,310	96,747,658	1.45%	1,825
2016	16,491,551	92,523,842	1.31%	1,677
2017	14,393,793	87,833,481	1.15%	1,570
2018	12,206,034	82,998,455	1.02%	1,484
2019	9,928,276	77,804,568	0.90%	1,391
2020	7,545,517	70,743,404	0.77%	1,239
2021	51,900,000	108,465,559	1.10%	1,810
2022	49,520,000	103,265,434	1.01%	1,735

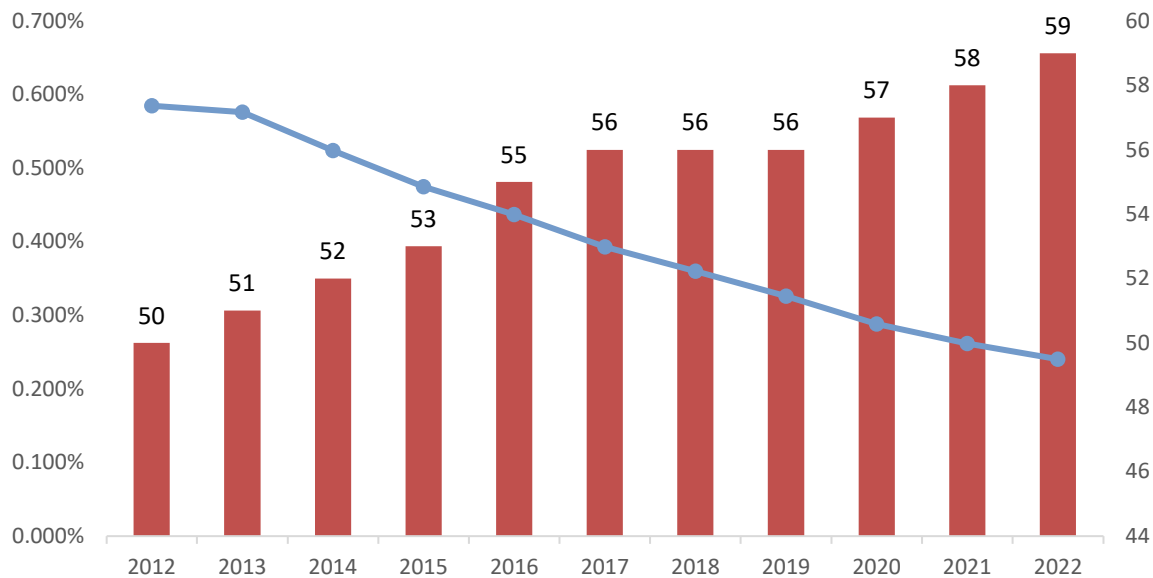
Note: Details regarding the outstanding debt can be found in the notes to the basic financial statements.

Source:

- ⁽¹⁾ Finance Department, City of Gilroy
- ⁽²⁾ Finance Department, County of Santa Clara
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- ⁽⁴⁾ Presented net of related premiums, discounts, and adjustments.
- ⁽⁵⁾ GO Bonds Series 2009 refinanced on June 1, 2019 to Series 2019 A.
- ⁽⁶⁾ GO Bonds Series 2010 refinanced on November 5, 2019 to Series 2019 B.
- ⁽⁷⁾ 2021 Wastewater Revenue Bonds Series A issued June 2021.

City of Gilroy
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

OUTSTANDING GENERAL BONDED DEBT				Net Assessed Value ⁽²⁾	Population ⁽³⁾	General Bonded Debt to Net Assessed Value	Ratio of General Bonded Debt Per Capita
Fiscal Year	General Obligation Bonds ⁽⁴⁾	Tax Allocation Bonds	Total ⁽¹⁾				
2012	33,860,997		33,860,997	5,791,344,943	50,081	0.585%	676
2013	33,162,870		33,162,870	5,759,934,839	51,505	0.576%	644
2014	32,434,743		32,434,743	6,192,510,384	52,413	0.524%	619
2015	31,681,616		31,681,616	6,668,114,649	53,000	0.475%	598
2016	30,893,489		30,893,489	7,068,226,533	55,170	0.437%	560
2017	30,080,362		30,080,362	7,654,396,884	55,936	0.393%	538
2018	29,247,235		29,247,235	8,128,701,548	55,615	0.360%	526
2019	28,305,209		28,305,209	8,692,971,361	55,928	0.326%	506
2020	26,630,459		26,630,459	9,243,761,986	57,084	0.288%	467
2021	25,639,646		25,639,646	9,807,614,121	59,920	0.261%	428
2022	24,616,950		24,616,950	10,242,720,866	59,520	0.240%	414



Source: ⁽¹⁾ State of California, Finance Department.

⁽²⁾ This is the amount restricted for the COP debt service principal payments.

City of Gilroy
Schedule of Direct and Overlapping Bonded Debt
June 30, 2022

2021-22 Assessed Valuation: \$10,289,233,066

	Total Debt <u>6/30/2022</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/22</u>
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Santa Clara County	1,130,850,000	1.79%	20,185,673
Gavilan Joint Community College District	206,905,000	25.985	53,764,264
Gilroy Unified School District	353,032,495	82.396	290,884,655
City of Gilroy	24,616,950	100	24,616,950
City of Gilroy Community Facilities District No. 2000-1	5,883,344	100	5,883,344
Santa Clara Valley Water District Benefit Assessment District	48,150,000	1.785	859,478
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			396,194,364
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Santa Clara County General Fund Obligations	1,210,694,365	1.79%	21,610,894
Santa Clara County Pension Obligation Bonds	335,638,470	1.785	5,991,147
Santa Clara County Board of Education Certificates of Participation	1,820,000	1.785	32,487
Gavilan Joint Community College District General Fund Obligations	6,405,000	25.985	1,664,339
Gilroy Unified School District Certificates of Participation	22,440,000	82.396	18,489,662
City of Gilroy General Fund Obligations	28,455,000	100	28,455,000
Santa Clara County Vector Control Certificates of Participation	1,505,000	1.785	26,864
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			76,270,393
Less: Santa Clara County supported obligations			322,706
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			75,947,687
TOTAL DIRECT DEBT			53,071,950
TOTAL GROSS OVERLAPPING DEBT			419,392,807
TOTAL NET OVERLAPPING DEBT			419,070,101
GROSS COMBINED TOTAL DEBT			472,464,757
NET COMBINED TOTAL DEBT			472,142,051

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

Direct Debt (\$24,616,950)	0.24%
Total Direct and Overlapping Tax and Assessment Debt	3.85%
Total Direct Debt (\$53,071,950)	0.52%
Gross Combined Total Debt	4.59%
Net Combined Total Debt	4.59%

Source: Avenu Insights & Analytics, California Municipal Statistics, Inc.

City of Gilroy
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	2016
Assessed valuation	5,837,732,543	5,806,144,639	6,238,973,584	6,714,164,849	7,114,097,533
Debt Limit Rate ⁽¹⁾	15%	15%	15%	15%	15%
Debt limit	875,659,881	870,921,696	935,846,038	1,007,124,727	1,067,114,630
Total net debt applicable to limit:					
General obligation bonds	33,190,000	32,520,000	31,820,000	31,095,000	30,335,000
Legal debt margin	<u>\$ 842,469,881</u>	<u>\$ 838,401,696</u>	<u>\$ 904,026,038</u>	<u>\$ 976,029,727</u>	<u>\$ 1,036,779,630</u>
Total debt applicable to the limit					
as a percentage of debt limit	3.9%	3.9%	3.5%	3.2%	2.9%

Continued

⁽¹⁾ Section 1108 of the City of Gilroy Charter limits the general obligation bonds of the City to 15% of total assessed value of real and personal property within the City.

Source: County of Santa Clara, Department of Finance

City of Gilroy
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

	Fiscal Year					
	2017	2018	2019	2020	2021	2022
Assessed valuation	7,700,974,884	8,175,945,948	8,741,061,361	9,291,636,386	9,807,614,121	10,242,720,866
Debt Limit Rate ⁽¹⁾	15%	15%	15%	15%	15%	15%
Debt limit	1,155,146,233	1,226,391,892	1,311,159,204	1,393,745,458	1,471,142,118	1,536,408,130
Total net debt applicable to limit:						
General obligation bonds	29,550,000	28,745,000	27,983,538	27,087,578	25,639,646	24,616,950
Legal debt margin	<u>\$ 1,125,596,233</u>	<u>\$ 1,197,646,892</u>	<u>\$ 1,283,175,666</u>	<u>\$ 1,366,657,880</u>	<u>\$ 1,445,502,472</u>	<u>\$ 1,511,791,180</u>
Total debt applicable to the limit						
as a percentage of del	2.6%	2.4%	2.2%	2.0%	1.8%	1.6%
						<i>End</i>

⁽¹⁾ Section 1108 of the City of Gilroy Charter limits the general obligation bonds of the City to 15% of total assessed value of real and personal property within the City.

Source: County of Santa Clara, Department of Finance

City of Gilroy
Wastewater System - Historical Debt Service Coverage
Last Seven Fiscal Years

	Fiscal Year				
	2016	2017	2018	2019	2020
Gross revenues:					
Charges for services	\$ 11,773,938	\$ 12,644,730	\$ 12,720,141	\$ 12,904,657	\$ 12,872,189
Investment income (loss)	301,482	284,297	410,172	934,590	828,615
Developer impact fees*	4,452,590	3,098,889	2,483,414	2,234,082	1,608,755
Total gross revenues	16,528,010	16,027,916	15,613,727	16,073,329	15,309,559
Operating expenses:					
Operations	7,314,113	7,454,202	7,466,650	8,339,489	8,411,647
Billing	612,551	594,654	618,400	668,982	730,892
Administration	500,398	472,465	558,846	706,101	667,733
Total operating expenses	8,427,062	8,521,321	8,643,896	9,714,572	9,810,272
Net Revenues	8,100,948	7,506,595	6,969,831	6,358,757	5,499,287
Debt					
2010 sewer revenue bonds (net debt service)	\$ 2,566,550	\$ 2,558,688	\$ 2,562,738	\$ 2,557,625	\$ 2,557,750
2021A Sewer revenue bonds					
Total net debt service	\$ 2,566,550	\$ 2,558,688	\$ 2,562,738	\$ 2,557,625	\$ 2,557,750
Debt service coverate (1.20x requirement)	3.16	2.93	2.72	2.49	2.15

*Developer impact fees for sewer is reported in a capital projects fund.

City of Gilroy
Wastewater System - Historical Debt Service Coverage (Continued)
Last Seven Fiscal Years

	Fiscal Year	
	2021	2022
Gross revenues:		
Charges for services	\$ 12,702,398	\$ 12,912,113
Investment income (loss)	51,203	64,441
Developer impact fees*	1,764,901	3,552,755
Total gross revenues	14,518,502	16,529,309
Operating expenses:		
Operations	9,323,262	8,969,702
Billing	678,651	63,021
Administration	720,726	789,602
Total operating expenses	10,722,639	9,822,325
Net Revenues	3,795,863	6,706,984
Debt		
2010 sewer revenue bonds (net debt service)	\$ 2,510,417	\$ 2,561,500
2021A Sewer revenue bonds		
Total net debt service	\$ 2,510,417	\$ 2,561,500
Debt service coverate (1.20x requirement)	1.51	2.62

*Developer impact fees for sewer is reported in a capital projects fund.

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City of Gilroy
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Net Taxable Assessed Values	Per Capita Taxable Property Values	Personal Income	Per Capita Income	City Unemployment Rate (%) (2)	County Population (1)	Public School Enrollment (3)
2012-13	51,505	5,759,934,839	111,833	1,474,536,645	28,629	10.4%	-	-
2013-14	52,413	6,192,510,384	118,148	1,512,219,876	28,852	8.6%	-	-
2014-15	53,000	6,668,114,649	125,813	1,566,627,000	29,559	6.9%	-	-
2015-16	55,170	7,068,226,533	128,117	1,648,534,770	29,881	5.7%	-	-
2016-17	55,936	7,654,396,884	136,842	1,720,759,168	30,763	4.9%	-	-
2017-18	55,615	8,128,701,548	146,160	1,817,498,200	32,680	3.7%	1,956,598	11,834
2018-19	55,928	8,692,971,361	155,431	1,927,859,413	34,470	2.5%	1,954,282	11,652
2019-20	57,084	9,243,761,986	161,933	2,046,518,484	35,851	13.9%	1,961,969	11,672
2020-21	56,599	9,807,614,121	173,282	2,190,227,917	38,697	8.6%	1,934,171	10,248
2021-22	59,269	10,242,720,866	172,818	2,634,388,512	44,448	2.7%	1,894,783	10,064

Source: Santa Clara County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

Source: 2016-17 and prior: previously published ACFR Report

(-) Data unavailable.

1.) Population Projections are provided by the California Department of Finance Projections.

2.) Unemployment and Labor Force Data are provided by the EDD's Labor Market Information Division.

3.) Student Enrollment reflects the total number of students enrolled in the Las Virgenes Unified School District. Any other school districts within the City are not accounted for in this statistic.

City of Gilroy
Principal Employers
Last Fiscal Year and Eight Years Ago

Business Name	2021-22			2013-14		
	Number of Employees	Rank	Percent of Total Employment (%)	Number of Employees	Rank	Percent of Total Employment (%)
Gilroy Unified School District*	1,140	1	3.99%			
Christopher Ranch LLC	694	2	2.43%	800	1	4.08%
Olam International (Formerly ConAgra-Gilroy Foods)	431	3	1.51%	500	4	2.55%
Community Solutions	331	4	1.16%			
Costco Wholesale	320	6	1.12%	220	7	1.12%
Walmart Supercenter	312	5	1.09%	395	5	2.01%
Saint Louise Regional Hospital	294	7	1.03%	550	2	2.81%
City of Gilroy	279	8	0.98%			
Gavilan College	216	9	0.76%			
Head Start Nursery	182	10	0.64%	180	9	0.92%
Gilroy Gardens Theme Park (formerly Bonfante)				500	3	2.55%
Monterey Gourmet Foods				225	6	1.15%
Kaiser Permanente				200	8	1.02%
International Paper				180	10	0.92%
Total Top 10 Employers	4,199		14.68%	3,750		19.13%
Total City Labor Force (1)	28,600			19,607		

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2013-14 previously published ACFR. Nine years prior data is unavailable.

Results based on direct correspondence with city's local businesses.

(1) Total City Labor Force provided by EDD Labor Force Data.

* Includes FTE & PTE.

City of Gilroy
Full-Time Equivalent City Employees
By Function / Program
Last Ten Fiscal Years

Department	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	6	5	4	5	5	6	6	7	7	8
City Council and Mayor	7	7	7	7	7	7	7	7	7	7
Community Development	18	20	21	21	18	18	21	23	20	23
Finance	13	13	13	13	11	13	14	14	11	13
Fire	41	39	40	39	35	36	37	37	43	44
Fleet and Facilities	10	10	10	10	10	10	10	10	7	10
Human Resources	3	4	4	4	4	4	4	5	4	4
Information Technology	4	4	2	2	3	3	4	3	4	4
Police	87	88	93	94	87	92	94	96	98	99
Public Works	34	36	38	43	40	42	54	57	48	49
Recreation	11	11	11	12	10	11	11	11	4	4
Total	234	237	243	250	230	242	262	270	253	265

(a) Beginning in fiscal year 2013-2014, the amount represents the number of filled positions by departments. Prior to fiscal year 2013-14, the amounts noted represent budgeted positions.

City of Gilroy
Operating Indicators By Function / Program
Last Ten Fiscal Years

Function	Fiscal Year				
	2013	2014	2015	2016	2017
General Government					
Number of Business Licenses Issued	2,855	2,615	3,034	2,685	3,166
Total Volunteer Service Hours	29,566	35,439	32,598	34,723	33,855
Total City-Wide Training Hours Provided	1,300	1,245	1,957	2,356	3,112
Total Vehicle Work Orders Generated	2,919	2,739	3,146	2,629	2,478
Total Facilities Work Orders Generated	1,658	1,613	1,542	1,445	1,317
Public Safety					
Police					
Number of 911 Calls Received	24,074	27,753	28,498	21,044	23,744
Number of Police Calls for Service	58,124	58,112	62,200	62,071	63,887
Number of Investigations Assigned to Detectives	769	727	821	913	845
Number of Case Reports Processed	11,956	11,926	13,566	12,621	12,320
Fire					
Total Calls for Service	4,322	4,557	5,131	5,007	5,441
Total Fire Calls	178	182	179	223	223
Total Emergency Medical Aid Calls	2,566	2,802	3,341	3,323	3,735
Community Development					
Number of Building Inspections Completed	13,938	14,101	21,592	24,500	23,623
Number of Building Permits Processed	1,158	1,706	2,042	2,197	1,903
Number of Fire Code Permits Issued	577	567	819	839	476
Public Works					
Square Feet of Chip/Cape/Slurry Seal Completed	660,000	930,000	90,000	274,479	712,504
Linear Feet of Preventive Cleaning	640,000	600,000	716,900	785,288	707,379
Million Gallons of Wastewater Treated per Day	6.27	6.05	5.99	5.97	7.60
Million Gallons of Municipal Water Produced per Day	8.32	7.87	6.79	5.94	6.46
Million Gallons of Wastewater Flow per Day (COG)	3.58	3.45	3.50	3.59	4.84
Number of Utility Billing Customers	13,540	13,716	13,865	14,300	14,549
Recreation					
Number of Registrations Processed	7,405	5,500	6,378	5,856	5,807
Number of Meals Provided to Seniors Annually	19,459	19,549	20,031	21,351	22,566

Source: City of Gilroy, Various City Departments

* Statistic not available

City of Gilroy
Operating Indicators By Function / Program (Continued)
Last Ten Fiscal Years

Function	Fiscal Year				
	2018	2019	2020	2021	2022
General Government					
Number of Business Licenses Issued	3,800	3,965	3,160	4,319	3,673
Total Volunteer Service Hours	31,505	28,460	18,465	2,521	12,886
Total City-Wide Training Hours Provided	3,200	2,688	2,892	1,038	1,173
Total Vehicle Work Orders Generated	1,428	1,327	1,514	1,904	1,880
Total Facilities Work Orders Generated	1,428	1,411	1,488	1,405	1,416
Public Safety					
Police					
Number of 911 Calls Received	23,484	22,235	23,578	22,740	24,837
Number of Police Calls for Service	63,073	64,134	58,354	44,016	62,323
Number of Investigations Assigned to Detectives	815	986	1,023	971	1,101
Number of Case Reports Processed	12,478	11,075	11,020	10,095	9,771
Fire					
Total Calls for Service	5,374	5,555	6,243	6,299	7,092
Total Fire Calls	265	282	336	381	435
Total Emergency Medical Aid Calls	3,707	3,739	4,065	4,089	4,866
Community Development					
Number of Building Inspections Completed	17,991	17,450	14,618	15,652	16,056
Number of Building Permits Processed	1,970	2,050	1,300	1,361	1,784
Number of Fire Code Permits Issued	1,060	1,230	885	474	695
Public Works					
Square Feet of Chip/Cape/Slurry Seal Completed	533,397	1,430,477	1,547,477	1,451,239	3,118,472
Linear Feet of Preventive Cleaning	854,304	897,479	849,228	632,280	692,143
Million Gallons of Wastewater Treated per Day	6.16	6.66	6.18	6.14	6.03
Million Gallons of Municipal Water Produced per Day	7.07	6.80	7.20	7.60	6.74
Million Gallons of Wastewater Flow per Day (COG)	3.87	4.13	3.73	3.49	3.16
Number of Utility Billing Customers	14,870	15,133	15,218	15,311	15,483
Recreation					
Number of Registrations Processed	4,952	4,737	4,232	2,380	6,875
Number of Meals Provided to Seniors Annually	23,815	25,103	21,979	19,525	22,570

Source: City of Gilroy, Various City Departments

* Statistic not available

** Available Data Reflects

City of Gilroy
Capital Assets By Function
Last Ten Fiscal Years

Function	Fiscal Year				
	2013	2014	2015	2016	2017
General Government					
City Buildings	55	55	55	55	55
Public Safety					
Police					
Police Stations	1	1	1	1	1
Police Vehicles	72	76	79	86	87
Fire					
Fire Stations	3	3	3	3	3
Fire Vehicles	20	20	20	20	21
Public Works					
Park sites	16	16	16	16	16
Centerline Miles of Streets	159	118	120	119	126
Number of Streetlights	3,969	4,150	4,150	4,773	4,794
Miles of Storm Trunk Mains*	31	31	31	31	37
Miles of Sewer Mains	110	110	111	111	151
Treatment Plant Dry Weather Flow Capacity (MGD)	9	9	9	9	9
Water Meters in Municipal Service Area	13,651	13,831	14,127	14,669	14,783
Miles of Water Mains	120	121	152	152	204
Number of Fire Hydrants	1,960	2,048	2,150	2,265	2,290

* Note that the increase in "Miles of Storm Trunk Mains" is due to the accurate tracking of data in the Cityworks GIS system.

Source: City of Gilroy, Various City Departments.

City of Gilroy
Capital Assets By Function (Continued)
Last Ten Fiscal Years

Function	Fiscal Year				
	2018	2019	2020	2021	2022
General Government					
City Buildings	57	57	57	57	57
Public Safety					
Police					
Police Stations	1	1	1	1	1
Police Vehicles	83	103	109	109	113
Fire					
Fire Stations	3	3	3	3	3
Fire Vehicles	20	19	19	20	20
Public Works					
Park sites	19	19	20	21	21
Centerline Miles of Streets	151	166	166	166	168
Number of Streetlights	4,841	4,861	4,885	4,295	4,315
Miles of Storm Trunk Mains*	39	40	40	40	131
Miles of Sewer Mains	160	161	163	162	168
Treatment Plant Dry Weather Flow Capacity (MGD)	9	9	9	9	9
Water Meters in Municipal Service Area	14,450	15,133	15,220	15,266	15,595
Miles of Water Mains	205	210	205	219	209
Number of Fire Hydrants	1,948	2,229	2,187	2,293	2,317

* Note that the increase in "Miles of Storm Trunk Mains" is due to the accurate tracking of data in the Cityworks GIS system.

Source: City of Gilroy, Various City Departments

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City of Gilroy

STAFF REPORT

Agenda Item Title: Report on Illegal Fireworks Administrative Citations

Meeting Date: February 27, 2023

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

Not Applicable

RECOMMENDATION

Receive report on illegal fireworks administrative citations and provide direction for the Fireworks Citation program.

EXECUTIVE SUMMARY

In April 2022, City Council adopted a Host Liability for Illegal Fireworks ordinance to assist the City in attaining compliance regarding the prohibition of illegal fireworks in Gilroy. The ordinance places host liability for illegal fireworks and the illegal use of legal fireworks on property owners or renters. The intent was to allow for greater ability for attaining compliance with fireworks regulations, as well as granting law enforcement personnel a greater ability to safely issue citations for illegal fireworks, helping to attain compliance in the future. This report discusses the administrative citations issued in July 2022 and provides the status to date.

BACKGROUND

Each year, the City Fire and Police Departments 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 illegal fireworks during the July 4th period. Fire danger from illegal fireworks to structures and open space vegetation poses a clear threat to public health, safety, and the general welfare of the City's

residents and businesses. The use of illegal fireworks adversely impacts the quality of life of our community members, particularly those who suffer from post-traumatic stress disorder (PTSD) and those who own pets.

Educational and enforcement campaigns against setting off illegal fireworks, as well as the increased presence and enforcement activities during the July 4th period, have been used by the Fire and Police Departments to deter and counter the use of illegal fireworks. Administrative and criminal citations have been issued in recent years for use of illegal fireworks, when and where a clear violation of the ordinance exists. Typically, it is not difficult for enforcement officers to identify the area an illegal aerial firework originates. The challenge lies in identifying the specific individual user, or possessor of the illegal fireworks, and determining the responsible party.

ANALYSIS

Educational messaging reminding the public of what types of fireworks are permitted, when and where they can be used, and how to safely use them have been and will continue to be a main method to prevent illegal fireworks usage. Increased use of illegal fireworks, especially around the July 4th period, continues to be a problem in Gilroy and other jurisdictions in California.

On April 4, 2022, City Council adopted Ordinance No. 2022-03, Host Liability for Illegal Fireworks ordinance, adding Gilroy City Code Sections 10A.15 through 10A.18 to Chapter 10A to create and enforce a host liability for illegal fireworks and illegal use of legal fireworks. The ordinance holds property owners, or those with possessory interest in the property (rent, lease, permitted event, etc.) accountable for illegal use of fireworks that occur on a property or in association with a property. The ordinance was intended to provide a deterrence to property owners and renters to ensure that the illegal use of fireworks does not occur on their property. Violations of the ordinance were subject to an administrative citation carrying a fine in the amount of \$1,000 for the first violation and \$2,000 for every subsequent violation.

The Host Liability for Illegal Fireworks was created in a manner to avoid a narrow application to property owners only. It was designed to apply to any person who has the right to use, possess or occupy a public or private property under a lease, permit, license, rental agreement, or contract. Additionally, the ordinance can be applied to any person who hosts, organizes, supervises, officiates, conducts, or accepts responsibility for a gathering on public or private property.

Citations issued over the past three years leading to and during the July 4th period are as follows:

- **2020:** Seventy-eight (78) Administrative Citations were issued with a fine amount of \$500. Twenty-nine (29) appeals were submitted, and twenty-six (26) citations

were dismissed after the appeal. Of the seventy-eight (78) citations, forty-five (45) citations were paid, twenty-six (26) citations were dismissed, and seven (7) remain uncollected. The rate of citations upheld per Administrative Decision after the appeal was 10%. Six (6) criminal citations were sent to the District Attorney's Office for review. The District Attorney's Office does not inform the City of the resolutions of the citations.

- **2021:** Due to the results of the 2020 Administrative Citation Hearings, staff issued zero (0) Administrative Citations as the City's Hearing Officer considered the current ordinance with the existing language to have a very low success rate of enforcement. The City subsequently updated the ordinance in April 2022. Eight (8) criminal citations were sent to the District Attorney's Office for review. The District Attorney's Office does not inform the City of the resolutions of the citations.
- **2022:** Sixty-one (61) Administrative Citations were issued with a fine amount of \$1,000 for the first offense and \$2,000 for every subsequent violation. One (1) criminal citation was referred to the District Attorney's Office for review and prosecution. Appeal Hearings were conducted for twenty-seven (27) citations issued. Among the appeals, sixteen (16) citations were dismissed, and eleven (11) citations were upheld. Five (5) payment plans were established by Administrative Decision in the citations that were upheld. The rate of citations upheld per Administrative Decision after the appeal was 41% which can be attributed to the modification in the City's Fireworks Ordinance adopted in April 2022 and the presence of video evidence and/or citing officers at appeal hearings.

For the citations issued in 2022, the appeal hearings were conducted virtually on January 17-19, 2023. Enforcement Officers and the Deputy Fire Marshal attended each hearing and provided testimony as to why a citation was issued. In sixteen of the twenty-seven (16 of 27) appeal cases, drone video and/or officer body camera footage were submitted into evidence. Seven of the sixteen (7 of 16) appeal cases with drone video and/or officer body camera had citations dismissed because the illegal fireworks were launched in the street and a connection could not be made to host liability. The total cost for services rendered by the Hearing Officer for the Appeal Hearings was \$16,065.

Staff continues to work on the collections process for 2022. Fifteen (15) citations, which did not go through the appeal process, have not been paid to date. In addition, one (1) payment bounced. The penalty amount increased by 10% (\$100) with each notice. A third notice for these citations was mailed on January 31, 2023, by regular and certified USPS mail. The unpaid citations which are not received by March 10, 2023, will be sent to collections for payment. Payment plans have been established by Administrative Decision for the unsuccessful appeals that are unpaid (five (5) citations).

Below is a summary of citations issued, fines collected, and appeal outcomes in 2020 and 2022:

	2020 Citations	Total Fines	2022 Citations	Total Fines
Issued	78	\$39,000	61	\$61,000
Paid Citations (as of 2/13/2023)	45	\$22,500	22	\$23,000

	2020 # of Appeals	2022 # of Appeals
Total # of Appeals	29	27
Citations Upheld	2 (1 paid)	11
Citations Dismissed	26	16
Withdrew Appeal	1	0

Some feedback provided by the Hearing Officer through the appeal hearings and rendered administrative decisions was as follows:

- In the situations where the fireworks were discharged in the public street, evidence was required to show that the cited person hosted, organized, or otherwise was responsible for a gathering at which the illegal fireworks were discharged. In his decisions when an appeal was successful, the Hearing Officer stated:

“Under the plain language of §10A.15, host strict liability based on property ownership is limited to the use of illegal fireworks on “any private residential or nonresidential real property.” If the cited use of illegal fireworks is in the public street, then mere ownership of adjacent private property is insufficient to create host strict liability. Host strict liability based on a tenancy is similarly limited to use of illegal fireworks on either the private or public property that is the subject of the lease or rental agreement. Therefore, as above, a tenancy by itself does not make the tenant strictly liable for the use of illegal fireworks on an adjacent public street that is not the subject of the lease or rental agreement. On the other hand, a person who hosts or accepts responsibility for a gathering under §10A.15(a)(3), can be strictly liable for the illegal use of fireworks at a gathering on either public or private property, including a public street,

regardless of whether an ownership or right to possession exists.”

- The Hearing Officer also stated that when it comes to illegal fireworks being discharged on the street or not on private property, the Host Liability for Illegal Fireworks ordinance can be strengthened by adding language that the person “possesses fireworks” or “presents evidence of use of fireworks.” Also adding language that includes the immediate adjacent street to the ordinance would be helpful.
- The Hearing Officer suggested that listing both the homeowner and the renter on the citation would be best.

Despite best efforts, the use of illegal fireworks continues to be a problem in Gilroy. Enforcement through Administrative Citations takes a significant amount of staff time, effort, and resources from multiple Departments and incurs a further cost to the City through the fine collection and appeal process. The estimated combined cost for administering the citations and hearings is \$45,000 to \$50,000. The citations that have been paid as of February 13, 2023, total \$23,000. There is no easy solution to rectify the issues regarding illegal fireworks. Staff is seeking Council direction on amending the Host Liability for Illegal Fireworks ordinance, whether to continue the fireworks citation program or other direction regarding illegal fireworks.

FISCAL IMPACT/FUNDING SOURCE

A summary of citation fines was presented above. As discussed, enforcement through Administrative Citations takes a significant amount of staff time, effort, and resources from multiple Departments and incurs further costs to the City through the fine collection and appeal process. Fund 1004040, which is the Fire Prevention Division, receives the citation revenue. The revenue received helps to partially offset the costs incurred in staff time (Deputy Fire Marshal and Management Analyst) in preparing the citations, handling the fine collection/rebiling process, mailing costs, coordinating and participating in the appeal hearing process, and the contractual fees for the Administrative Hearing Officer. The estimated combined cost for administering the citations and hearings is \$45,000 to \$50,000.

**City of Gilroy City Council &
Gilroy Public Facilities Financing Authority
Regular Meeting Minutes
December 5, 2022**

1. OPENING

1.1. Call to Order

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

1. Pledge of Allegiance

Council Member Bracco led the Pledge of Allegiance.

2. Invocation

Pastor Trevor Van Laar from Gilroy Presbyterian Church provided the Invocation.

3. City Clerk's Report on Posting the Agenda

City Clerk Pham declared the posting of the agenda.

4. Roll Call

Council Member Armendariz participated in the meeting via teleconference from a noticed, publicly accessible location, as noted on the agenda.

Attendee Name	Title	Status
Marie Blankley	Mayor	Present
Rebeca Armendariz	Council Member	Remote
Dion Bracco	Council Member	Present
Zach Hilton	Council Member	Present
Peter Leroe-Muñoz	Vice Mayor	Present
Carol Marques	Council Member	Present
Fred Tovar	Council Member	Present

1.2. Orders of the Day

There were none.

1.3. Employee Introductions

There were none.

2. CEREMONIAL ITEMS

2.1. Proclamations, Awards, and Presentations

There were none.

3. PRESENTATIONS TO THE COUNCIL

3.1. Annual Personnel Commission Presentation

Personnel Commission Member Nita Edde-Mitchell presented the annual presentation to Council.

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

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

Ron Kirkish spoke about a homelessness issue near the Old Gilroy Dispatch building.

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

4. REPORTS OF COUNCIL MEMBERS

Council Member Bracco reported on the County Homeless Task Force.

Council Member Armendariz had nothing to report.

Council Member Marques reported on Gilroy Gardens Board of Directors.

Council Member Hilton reported on Visit Gilroy California Welcome Center Board.

Council Member Tovar reported on the December 3rd Holiday Parade.

Council Member Leroe-Muñoz had nothing to report.

Mayor Blankley reported on meeting with the Chief Operating Officer of HomeFirst Services of Santa Clara County and the Holiday Parade. She also reminded the public about the South County Gun Buyback Program being held on Saturday, December 10th, at Morgan Hill Outdoor Sports Center.

5. COUNCIL CORRESPONDENCE

There were none.

6. FUTURE COUNCIL INITIATED AGENDA ITEMS

There were none.

7. CONSENT CALENDAR (ROLL CALL VOTE)

Mayor Blankley opened public comment.

There being no speakers, Mayor Blankley closed public comment.

RESULT:	APPROVE [UNANIMOUS]
MOVER:	Peter Leroe-Muñoz, Vice Mayor
SECONDER:	Fred Tovar, Council Member
AYES:	Blankley, Armendariz, Bracco, Hilton, Leroe-Muñoz, Marques, Tovar

7.1. City Council - Regular Meeting - Nov 21, 2022 6:00 PM

A motion was made to approve the minutes.

- 7.2. **Adoption of An Ordinance of the City Council of the City of Gilroy Adopting a Franchise Agreement with Recology South Valley for Solid Waste Hauling Services and a Finding that Its Action in Adopting the Ordinance is Exempt From Review Under the California Environmental Quality Act (“CEQA”) Pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption) In that the Proposed Ordinance Will Continue an Existing State-Mandated Program for the Protection of Public Health and the Environment, and None of the Circumstances in CEQA Guidelines Section 15300.2 Apply.**

A motion was made to adopt the ordinance.

Enactment No.: Ordinance No. 2022-13

- 7.3. **Adoption of an Ordinance Approving a Planned Unit Development Overlay Zoning Amendment for Property at Royal Way (File Number Z 21-05)**

A motion was made to adopt the ordinance.

Enactment No.: Ordinance No. 2022-14

8. **BIDS AND PROPOSALS**

There were none.

9. **PUBLIC HEARINGS**

There were none.

10. **UNFINISHED BUSINESS**

There were none.

11. **INTRODUCTION OF NEW BUSINESS**

- 11.1. **Council Adoption of a Resolution of the City Council of the City of Gilroy Approving Commemorative Flag Flying Applications for 2023**

City Administrator Forbis provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

Possible Action:

Council adopt the resolution.

RESULT:	APPROVE [UNANIMOUS]
MOVER:	Fred Tovar, Council Member
SECONDER:	Dion Bracco, Council Member
AYES:	Blankley, Armendariz, Bracco, Hilton, Leroe-Muñoz, Marques, Tovar

Enactment No.: Resolution No. 2022-89

11.2. Council Introduce an Ordinance of the City Council of the City of Gilroy Repealing Ordinance Number 99-13, Removing the Use of Liens to Collect for Delinquent Garbage Fees

Assistant to the City Administrator Atkins provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

Possible Action:

a) Motion to read the ordinance by title only and waive further reading.

RESULT:	READ TITLE ORDINANCE AND WAIVE FURTHER READING [UNANIMOUS]
MOVER:	Dion Bracco, Council Member
SECONDER:	Carol Marques, Council Member
AYES:	Blankley, Armendariz, Bracco, Hilton, Leroe-Muñoz, Marques, Tovar

City Clerk Pham read aloud the title of the ordinance.

b) Introduce an ordinance of the City Council of the City of Gilroy repealing Ordinance Number 99-13, removing the use of liens to collect for delinquent garbage fees.

RESULT:	INTRODUCE AN ORDINANCE [UNANIMOUS]
MOVER:	Peter Leroe-Muñoz, Vice Mayor
SECONDER:	Fred Tovar, Council Member
AYES:	Blankley, Armendariz, Bracco, Hilton, Leroe-Muñoz, Marques, Tovar

11.3. Discussion of Santa Clara County Civil Grand Jury Report Regarding Ballot Measure Wording and Recommendations

Assistant City Administrator McPhillips provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

Ron Kirkish reminded Council to guard itself against unethical behavior regarding ballot measure wording.

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

Possible Action:

Provide staff direction.

RESULT:	BRING BACK TO COUNCIL IN THE NEXT MEETING SUGGESTIONS AS WORDED IN THE STAFF REPORT [UNANIMOUS]
MOVER:	Peter Leroe-Muñoz, Vice Mayor
SECONDER:	Dion Bracco, Council Member
AYES:	Blankley, Armendariz, Bracco, Hilton, Leroe-Muñoz, Marques, Tovar

11.4. Approval of the Refinancing of Gilroy Public Facilities Financing Authority's 2013 Refunding Lease Revenue Bonds

City Administrator Forbis provided staff presentations for items 11.4 and 13.2.1 and responded to Council Member questions.

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

Possible Action:

Adopt a resolution of the City Council of the City of Gilroy approving the issuance by the Gilroy Public Facilities Financing Authority of not to exceed \$15 million of Gilroy Public Facilities Financing Authority Lease Revenue Refunding Bonds, Series 2022A; approving the execution and delivery of various related documents in connection with the offering and sale of such bonds; and authorizing the taking of certain other matters related thereto.

RESULT:	APPROVE [UNANIMOUS]
MOVER:	Dion Bracco, Council Member
SECONDER:	Peter Leroe-Muñoz, Vice Mayor
AYES:	Blankley, Armendariz, Bracco, Hilton, Leroe-Muñoz, Marques, Tovar

Enactment No.: Resolution No. 2022-90

12. ADJOURN TO THE MEETING OF GILROY PUBLIC FACILITIES FINANCING AUTHORITY

Mayor Blankley adjourned to the Meeting of Gilroy Public Facilities Authority at 6:40 PM.

13. GILROY PUBLIC FACILITIES FINANCING AUTHORITY BOARD OF DIRECTORS

13.1. Call to Order

The meeting was called to order at 6:40 PM by Chair Blankley.

1. Roll Call

Director Armendariz participated in the meeting via teleconference from a noticed, publicly accessible location, as noted on the agenda.

Attendee Name	Title	Status
Marie Blankley	Chair	Present
Rebeca Armendariz	Board Member	Remote
Dion Bracco	Board Member	Present
Zach Hilton	Board Member	Present
Peter Leroe-Muñoz	Vice Chair	Present
Carol Marques	Board Member	Present
Fred Tovar	Board Member	Present

13.2. INTRODUCTION OF NEW BUSINESS

13.2.1. Approval of the Refinancing of Gilroy Public Facilities Financing Authority's 2013 Refunding Lease Revenue Bonds

Chair Blankley opened Public Comment.

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

Possible Action:

Adopt a resolution of the Board of Directors of the Gilroy Public Facilities Financing Authority approving the issuance by the Gilroy Public Facilities Financing Authority of not to exceed \$15 million of Gilroy Public Facilities Financing Authority Lease Revenue Refunding Bonds, Series 2022A; approving the execution and delivery of various related documents in connection with the offering and sale of such bonds; and authorizing the taking of certain other matters related thereto.

RESULT:	APPROVE [UNANIMOUS]
MOVER:	Dion Bracco, Director
SECONDER:	Carol Marques, Director
AYES:	Blankley, Armendariz, Bracco, Hilton, Leroe-Muñoz, Marques, Tovar

Enactment No.: Resolution No. GPFFA 2022-01

14. ADJOURN TO THE MEETING OF GILROY CITY COUNCIL

The meeting of the Gilroy Public Facilities Financing Authority was adjourned at 6:42 PM by Chair Blankley.

The meeting of the Gilroy City Council was reconvened at 6:42 PM by Mayor Blankley.

15. CITY ADMINISTRATOR'S REPORTS

City Administrator Forbis provided a brief presentation and responded to Council Member questions.

16. CITY ATTORNEY'S REPORTS

City Attorney Faber provided a brief presentation and responded to Council Member questions.

17. CLOSED SESSION

There were none.

18. ADJOURNMENT

The meeting was adjourned at 6:46 PM by Mayor Blankley.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Gilroy Public Facilities Financing Authority.

Thai Nam Pham, CMC, CPMC
Secretary

DRAFT



Gilroy Facilities Public Financing Authority

STAFF REPORT

Agenda Item Title: **Approval of Resolutions Specifying Circumstances Under Which Regular Meetings Will Not Be Held; Designating Certain Officers and Employees as Ex Officio Positions; and Adopting a Budget for Fiscal Year 2023-24**

Meeting Date: February 27, 2023
 From: Jimmy Forbis, City Administrator
 Department: General Counsel Office
 Submitted By: Andy Faber, General Counsel/Legal Advisor
 Prepared By: Andy Faber, General Counsel/Legal Advisor

STRATEGIC PLAN GOALS

Develop a Financially Resilient Organization
 Promote Economic Development Activities

RECOMMENDATION

Staff recommends the Board to adopt resolutions of the Gilroy Public Facilities Financing Authority ("Authority") specifying circumstances under which regular meetings will not be held; designating certain officers and employees as ex officio positions; and adopting a budget for fiscal year 2023-24.

BACKGROUND

The "Joint Exercise of Powers Agreement Gilroy Public Facilities Financing Authority" (as amended, the "Agreement"), creating the Authority, requires that the Board of Directors ("Board") of the Authority hold at least one regular meeting each year. The Agreement requires that the date, hour, and place of the Authority's regular meetings be fixed by resolution and that the Authority hold at least one regular meeting each year. On October 7, 2019, the Board adopted Resolution No. PFFA 2019-01, establishing that the regular meetings of the Authority shall be held on the same date and time as regular meetings of the City Council of the City.

Members of the Gilroy City Council ex officio are Members of the Board, pursuant to the Agreement. Furthermore, the officers of the Authority include a Chair, Vice-Chair, Secretary, and Treasurer. The Chair and Vice-Chair are elected from among the Board Members. The Secretary is appointed by the Board but need not be a member of the Board. The Director of Finance of the City of Gilroy ("City") is designated as the Treasurer of the Authority. The Board also has the power to appoint a Legal Advisor who may be the City Attorney of the City.

Finally, the Agreement requires that the Authority adopt a budget for administrative expenses annually prior to March 1 of each year. The budget is required to include all administrative expenses not included in any bond issue of the Authority.

ANALYSIS

Most regular meetings of the Authority are in fact canceled unless there are bond measures in progress. The attached draft resolution specifying circumstances under which regular meetings will not be held will allow the Authority to more efficiently cancel any regular meeting where there are no items requiring discussion. This resolution states that when an agenda for a scheduled regular meeting of the Authority is not posted pursuant to the Brown Act, then that failure to post shall be deemed to be a determination by the Chair and officers of the Authority that there are no items requiring discussion for that regular meeting and, as a result, that regular meeting is canceled.

The next resolution designates certain officers and employees of the Authority as ex officio positions. By designating these four positions (Chair, Vice-Chair, Secretary, Legal Advisor) as ex officio positions, they will automatically be filled by individuals holding other specified positions within the City. This resolution will allow the Authority to operate more efficiently because the Authority will not be required to rename individuals to these positions each time there is a change in staffing or personnel. This resolution designates the Mayor of the City as the ex officio the Chair of the Authority, the Vice-Mayor of the City as the ex officio the Vice-Chair of the Authority, the City Clerk as the ex officio the Secretary of the Authority, and the City Attorney as the ex officio the Legal Advisor of the Authority.

Finally, the Treasurer of the Authority does not anticipate any administrative revenue or expenses for the Fiscal Year 2023-2024. Therefore, the Treasurer of the Authority is proposing that the Board of the Authority adopt an annual budget that anticipates \$0 of revenue and \$0 of administrative expenses in order to satisfy the Agreement's requirement to adopt an annual budget before March 1 of each year. The attached draft resolution adopting a budget for the Authority for the fiscal year 2023-24 reflects this proposal by the Treasurer of the Authority.

ALTERNATIVES

The Authority may choose not to adopt any or all of the three resolutions. This is not recommended. If the Authority does not adopt the resolution specifying circumstances under which a regular meeting will not be held, then the Authority will have to take alternative actions to cancel regular meetings. If the Authority does not adopt the resolution designating certain officers and employees as ex officio positions, then the Board will have to re-elect and/or re-appoint individuals to certain positions each time there is a change in staffing and personnel. If the Authority does not adopt the resolution setting the budget for administrative expenses, they will be out of compliance with the Agreement.

FISCAL IMPACT/FUNDING SOURCE

There is no fiscal impact with this action.

PUBLIC OUTREACH

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

NEXT STEPS

Once the Authority adopts the resolutions, the Authority shall convene again at the next regular meeting where an agenda is posted pursuant to the Brown Act.

Attachments:

1. Draft Resolution – Specifying Circumstances Under Which Regular Meeting Will Not Be Held
2. Draft Resolution – Designating Certain Officers and Employees as Ex Officio Positions
3. Draft Resolution – Adopting the Budget for Gilroy Public Facilities Financing Authority For Fiscal Year 2023-24

RESOLUTION NO. PFFA 2023-XX**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
GILROY PUBLIC FACILITIES FINANCING AUTHORITY
SPECIFYING CIRCUMSTANCES UNDER WHICH
REGULAR MEETINGS WILL NOT BE HELD**

WHEREAS, the Gilroy Public Facilities Financing Authority (“Authority”) was established by the City of Gilroy (“City”) and the Community Development Agency of the City of Gilroy on March 21, 1994, pursuant to a joint powers agreement entitled “Joint Exercise of Powers Agreement Gilroy Public Facilities Financing Authority” (as amended, the “Agreement”) for the purpose, among others, of providing for the financing and refinancing of public capital improvements for the City; and

WHEREAS, the Agreement was amended by the “First Amendment to Joint Powers Agreement” on July 1, 2013, to replace the Community Development Agency of the City of Gilroy with the Industrial Development Authority of the City of Gilroy as a party to the Agreement; and

WHEREAS, Section 2.04 of the Agreement states that the Board of Directors (“Board”) of the Authority shall provide for its regular meetings and shall hold at least one regular meeting each year and fix the date, hour, and place of the regular meetings by resolution; and

WHEREAS, Section 2.04 of the Agreement also states that all meetings of the Board of the Authority shall be called, noticed, held, and conducted in accordance with the provisions of Sections 54950 et seq. of the Government Code of the State; and

WHEREAS, Government Code Section 6592.1 provides that the Authority may adopt a resolution authorizing bonds or any issuance of bonds or accepting the benefit of any bonds or the proceeds of bonds only during a regular meeting of the Authority held pursuant to Government Code Section 54954; and

WHEREAS, the Authority established regular meeting dates in accordance with the provisions of Government Code Section 54954 by passing Resolution No. PFFA 2019-01 on October 7, 2019 which resolved that the Authority would hold its regular meetings on the same date and time as the regular meetings of the Gilroy City Council; and

WHEREAS, Resolution No. PFFA 2019-01 also authorized the Chair and officers of the Authority to take whatever actions are required by law to cancel regularly scheduled meetings if the Secretary determines that there is not business of the Authority to be conducted at a regular meeting; and

WHEREAS, the Board desires to set forth circumstances under which a regular meeting will not be held.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE GILROY PUBLIC FACILITIES FINANCING AUTHORITY AS FOLLOWS:

SECTION 1. Recitals. Each of the foregoing recitals is true and correct.

SECTION 2. Circumstances Under Which Meetings Will Not be Held. If the Secretary does not post an agenda for a regular meeting pursuant to Government Code Section 54950 et seq. ("Brown Act"), then such failure to post shall be deemed to be a determination by the Chair and officers of the Authority that no items required discussion and, therefore, that the regular meeting is cancelled, except as otherwise provided in the Brown Act.

SECTION 3. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED and ADOPTED this 27th day of February 2023 by the following roll call vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

APPROVED:

Marie Blankley, Chair

ATTEST:

Thai Nam Pham, Secretary

RESOLUTION NO. PFFA 2023-XX**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
GILROY PUBLIC FACILITIES FINANCING AUTHORITY
DESIGNATING CERTAIN OFFICERS AND EMPLOYEES
AS EX OFFICIO POSITIONS**

WHEREAS, the Gilroy Public Facilities Financing Authority (“Authority”) was established by the City of Gilroy (“City”) and the Community Development Agency of the City of Gilroy on March 21, 1994 pursuant to a joint powers agreement entitled “Joint Exercise of Powers Agreement Gilroy Public Facilities Financing Authority” (as amended, the “Agreement”) for the purpose, among others, of providing for the financing and refinancing of public capital improvements for the City; and

WHEREAS, the Agreement was amended by the “First Amendment to Joint Powers Agreement” on July 1, 2013 to replace the Community Development Agency of the City of Gilroy with the Industrial Development Authority of the City of Gilroy as a party to the Agreement; and

WHEREAS, Section 2.03 of the Agreement specifies that the members of the City Council of the City ex officio shall constitute the Members of the Board of Directors (“Board”) of the Authority.

WHEREAS, Article III of the Agreement specifies that the officers of the Authority shall be the Chairman, Vice-Chairman, Secretary and Treasurer; and

WHEREAS, Section 3.01 of the Agreement specifies that the Board of the Authority shall elect a Chair and Vice-Chair (as used herein and in any other Resolutions or official documents of the Authority, the terms Chair and Vice-Chair are equivalent to the terms Chairman and Vice-Chairman as used in the Agreement) from among the Board Members and shall appoint a Secretary who may, but need not, be a member of the Board; and

WHEREAS, Section 3.02 of the Agreement specifies that the Director of Finance of the City is designated as the Treasurer of the Authority; and

WHEREAS, Section 3.05 of the Agreement specifies that the Board shall have the power to appoint the Legal Advisor of the Authority, who may be the City Attorney of the City; and

WHEREAS, the Board desires to designate the Chair, the Vice-Chair, the Secretary, and the Legal Advisor as ex officio positions; and

WHEREAS, the Board interprets this designation of the Chair, the Vice-Chair, the Secretary, and the Legal Advisor as ex officio positions as satisfying the Board’s duty to elect a Chair and Vice-Chair from among the Board and to appoint a Secretary and Legal Advisor.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE GILROY PUBLIC FACILITIES FINANCING AUTHORITY AS FOLLOWS:

SECTION 1. Recitals. Each of the foregoing recitals is true and correct.

SECTION 2. Designation of Certain Officers and Employees as Ex Officio Positions.

- A. The Mayor of the City shall be ex officio the Chair of the Authority.
- B. The Vice-Mayor of the City shall be ex officio the Vice-Chair of the Authority.
- C. The City Clerk shall be ex officio the Secretary of the Authority.
- D. The City Attorney shall be ex officio the Legal Advisor of the Authority.

SECTION 3. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED and ADOPTED this 27th day of February 2023 by the following roll call vote:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSTAIN:	BOARD MEMBERS:
ABSENT:	BOARD MEMBERS:

APPROVED:

Marie Blankley, Chair

ATTEST:

Thai Nam Pham, Secretary

RESOLUTION NO. PFFA 2023-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GILROY PUBLIC FACILITIES FINANCING AUTHORITY ADOPTING THE BUDGET FOR SAID AUTHORITY FOR FISCAL YEAR 2023-24

WHEREAS, the Gilroy Public Facilities Financing Authority (“Authority”) was established by the City of Gilroy (“City”) and the Community Development Agency of the City of Gilroy on March 21, 1994, pursuant to a joint powers agreement entitled “Joint Exercise of Powers Agreement Gilroy Public Facilities Financing Authority” (as amended, the “Agreement”) for the purpose, among others, of providing for the financing and refinancing of public capital improvements for the City; and

WHEREAS, the Agreement was amended by the “First Amendment to Joint Powers Agreement” on July 1, 2013, to replace the Community Development Agency of the City of Gilroy with the Industrial Development Authority of the City of Gilroy as a party to the Agreement; and

WHEREAS, Section 3.02 of the Agreement states that the Treasurer of the Authority shall be the depositary for the Authority and have custody of all accounts, funds, and money of the Authority; and

WHEREAS, Section 6.04 of the Agreement states that the Board of Directors (“Board”) shall adopt a budget for administrative expenses annually prior to March 1st of each year; and

WHEREAS, Section 6.04 of the Agreement also states that annual budget shall include all administrative expenses not included in any bond issue of the Authority; and

WHEREAS, the Treasurer of the Authority anticipates no administrative revenues or expenses for the Fiscal Year 2023-24; and

WHEREAS, the Treasurer of the Authority is proposing that the Board of the Authority adopt a budget for Fiscal Year 2023-24 which provides for anticipated revenue totaling \$0 and anticipated administrative expenses totaling \$0; and

WHEREAS, the said proposed budget for Fiscal Year 2023-24 is now before the Board for adoption and said Board is satisfied with said budget.

NOW, THEREFORE, BE IT RESOLVED that each of the foregoing recitals is true and correct.

BE IT FURTHER RESOLVED that the said proposed budget, including the anticipated revenues and administrative expenses, shall be and hereby is adopted as the budget of the Authority for the Fiscal Year 2023-24.

BE IT FURTHER RESOLVED that this resolution shall become effective immediately.

PASSED and ADOPTED this 27th day of February 2023 by the following roll call vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

APPROVED:

Marie Blankley, Chair

ATTEST:

Thai Nam Pham, Secretary