Morgan Hill, California

Adopted Operating and CIP Budget

Fiscal Years 2016-17 & 2017-18

City of Morgan Hill
Fiscal Years 2016-17 and 2017-18
Operating and CIP Budget

City Council

Steve Tate, Mayor
Rich Constantine, Mayor Pro Tem
Larry Carr, Councilmember
Marilyn Librers, Councilmember
Gordon Siebert, Councilmember

Other Elected Officials

Michael Roorda, City Treasurer
Irma Torrez, City Clerk

Leadership Team

Steve Rymer, City Manager
Gary Baum, Interim City Attorney
Leslie Little, Assistant City Manager for Community Development
Christina Turner, Assistant City Manager for Administrative Services
Karl Bjarke, Public Works Director/City Engineer
Andrew Crabtree, Community Development Director
Chris Ghione, Community Services Director
David Swing, Chief of Police
Derek Witmer, Fire Chief

Budget Team

Monica Delgado, Budget Manager
Dat Nguyen, Assistant Finance Director
Cindy Murphy, Program Administrator
Harjot Sangha, Accountant I
Gina Nazareno, Accountant I
Pat Heikens, Accounting Technician
Judy Viegas, Administrative Analyst, Community Services Department
Hilary Holeman, Administrative Analyst, City Manager's Office

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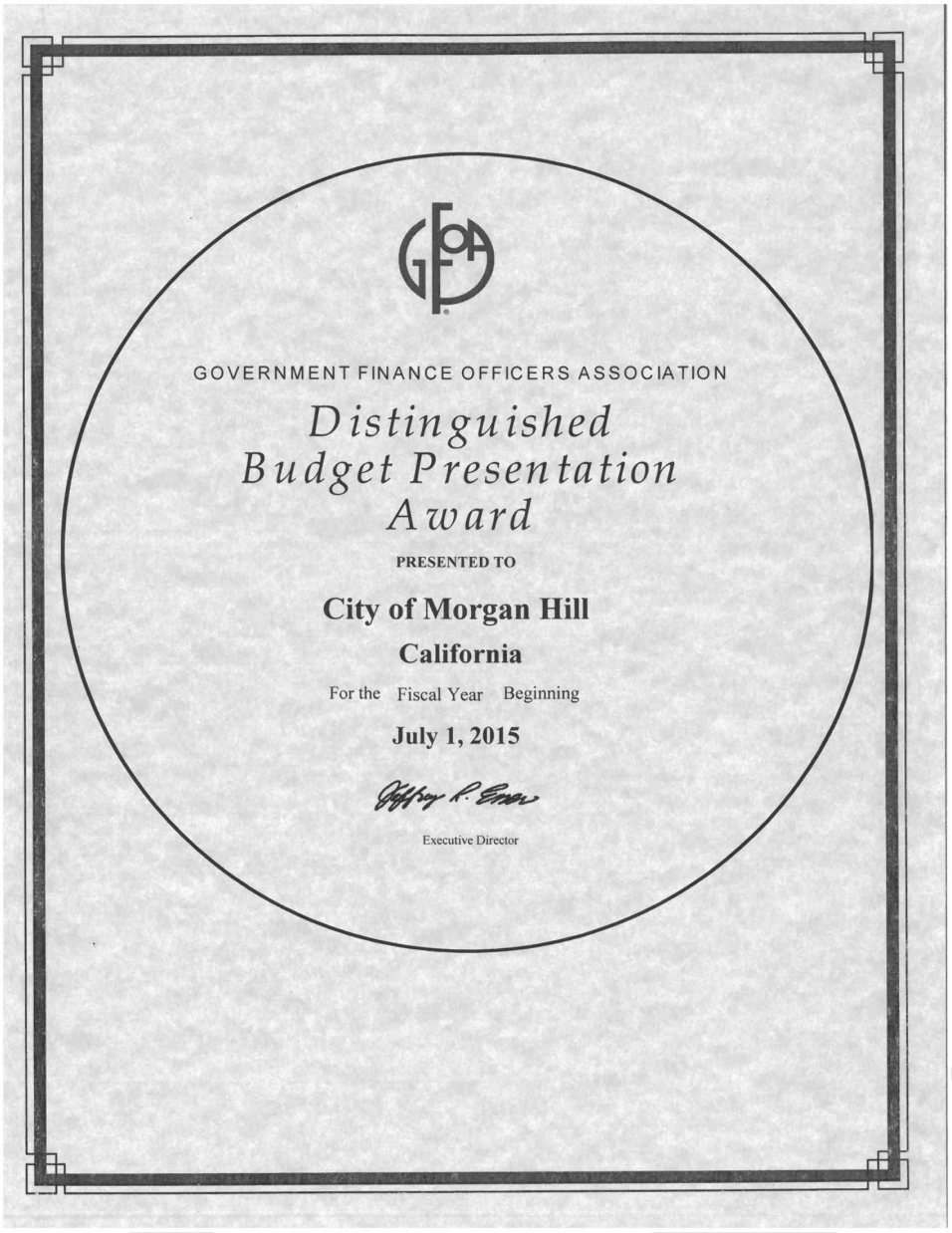

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Morgan Hill

California

For the Fiscal Year Beginning

July 1, 2015

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Morgan Hill, California for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communication tool.

California Society of
Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2015-2016

Presented to the

City of Morgan Hill

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 23, 2016

Jesse Takahashi
CSMFO President

Michael Gomez, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

The California Society of Municipal Finance Officers (CSMFO) presented a Certificate of Award for Excellence in Operating Budget for Fiscal Year 2015-16 to the City of Morgan Hill on February 23, 2016. As a recipient of this award, the City has met the criteria established to achieve the Operating Budget—Excellence Award for budget development and presentation.

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WATER WALK

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BUDGET DOCUMENT GUIDE

This budget document contains the City of Morgan Hill's Adopted budget for fiscal years 2016-17 and 2017-18. The biennial budget process commences in January with the City Council adopting its priorities, goals, and strategies for the organization and community. This priority based budget strategy ensures that the Council's priorities are the guiding principles for developing the biennial operating and capital improvement budgets. Included are budgets for the City's General Fund, Special Revenue , Capital Project, Debt Service, Enterprise, Internal Service, and Agency Funds. A complete copy of the Six-Year Capital Improvement Program (CIP) is also included.

The ***Budget Message*** includes the City Manager's letter of transmittal which focuses on the local economy, the budget as a plan for service delivery and the goals of the team for implementation of service delivery.

The ***General Information*** section contains a brief history of the City of Morgan Hill and an overview of the budget. The Budget Overview contains general information regarding the budget process including a calendar and description of the budget development process, basis of accounting, key revenue projections and assumptions, a description of allocated costs, budget policies, debt policy, and a summary of significant planning policies.

A description of debt obligations, funds and a glossary of terms are also included in this section as well a copy of the resolutions adopting the City Budget (with the Gann appropriation limit calculations).

The ***Budget Summary*** section contains a summary of all budgeted funds. Each fund shows the actual beginning fund balances at July 1, 2015, and estimated ending fund balance on June 30, 2016, plus projected revenues, expenditures, transfers in, transfers out and projected ending fund balances at June 30, 2017 and June 30, 2018. Also included in this section are a line chart and bar chart reflecting multi-year trends for the General Fund fund balance and a chart comparing City of Morgan Hill major revenues with all cities in Santa Clara County.

Summaries are prepared for Revenues and Expenditures for all funds. These summaries include prior year's actual, FY 2015-16 amended and year-end projections , and FY 2016-17 and 2017-18 Adopted budget figures. General Fund revenues and expenditures are also summarized using graphs and/or bar charts for comparison purposes.

Personnel levels have a direct effect on public service delivery. The ***Personnel*** section shows Personnel levels by program (department). A Citywide organization chart is provided in this section and in each departmental section where applicable.

Departmental budget sections also include a description of the department's activities, current year accomplishments, goals for the coming fiscal year and financial comments. The sections for each department contain historical information on personnel and expenditures.

Included in the ***Special Analysis*** section are various reports regarding important issues facing the City of Morgan Hill.

A complete copy of the Six-Year Capital Improvement Program (CIP) is included under the heading of ***Capital Improvement Program***. The six-year document represents a plan of improvements, a detailed description of each project and the available funding sources.

CITY OF MORGAN HILL

City Manager's Office
17575 Peak Avenue
Morgan Hill, CA 95037
TEL: 408.779.7271
Fax: 408.779.1592
www.morganhilll.ca.gov

DATE: JULY 1, 2016

Subject: FISCAL YEARS 2016-2018 BUDGET TRANSMITTAL

Dear Honorable Mayor, Councilmembers, City Employees, and the Community of Morgan Hill,

On behalf of the Morgan Hill City Council, it is a privilege to present the Adopted Fiscal Year 16-18 Biennial Operating Budget and FY 16-17 through FY 21-22 Capital Improvement Program Budget (CIP).
This is the first year of the transition to a two year operating budget cycle and six year CIP. The total FY 16-17 and 17-18 budgets are $126.2 million and 126.1 million, respectively.

Since the City Manager's recommended budget release on April 29, 2016, several changes were made by the City Council to the recommended budget as a result of the Council Workshop and Public Hearing discussion and direction prior to its adoption on June 15, 2016. These changes include:

Operating Budget

- Included a one-time expense of $30,000 for the purchase and installation of Automatic External Defibrillators (AED's); offset by $30,000 in grant revenue
- Included an ongoing expense of $28,500 for the upgrade and annual maintenance cost of body worn cameras
- Included an ongoing expense of $50,000 for the reclassification of the Deputy City Attorney position to an Assistant City Attorney
- Included an additional $9,500 for funding for housing domesticated cats and dogs (two year trial)
- Included an additional expense of $100,000 for FY 16-17 and $145,000 for FY 17-18 for the Santa Clara Valley Water District groundwater management fee increase. The projected impact over five years is approximately $800,000. It is important to note that even though the Council included the "pass-through" provision of this unanticipated cost increase to rate payers as part of the recent rate study, the Council indicated that it will forego this in FY 16-17 and revisit on an annual basis.
- Included an expense of $15,000 in FY 17-18 in the Streets Maintenance budget for parcel tax payments for properties not located within the City limits and removed an ongoing expense of $11,000 for parcel tax payments from Fund 303 Drainage Impact as the amount is budgeted in the Streets Maintenance budget.
- Included additional revenue of $100,000 for FY 16-17 and FY 17-18 for California High Speed Rail Authority reimbursement

Capital Improvement Program Budget

- Removed the third Fire Station from the Six Year Capital Improvement Program and may revisit upon completion of the Public Safety Master Plan
- Removed $250,000 in FY 16-17 for additional funding for the inclusive playground. This will be revisited at a later date and prioritized with other master plan projects.
- Included $30,000 in FY 16-17, for the intersection and congestion analysis in Streets and Roads to be funded from Funds 309 and 346, equally
- Moved $300,000 from FY 16-17 Recommended CIP to FY 15-16 for Project 512093 Underground Monterey Utilities (Construction). The remaining $40,000 in FY 16-17 is for Project Implementation. Funding sources for FY 16-17 include: $25,000 from Fund 346 Public Facilities, $8,000 from Fund 643 Sewer System Replacement, and $7,000 from Fund 653 Water System Replacement.

The budget documents are the product of many employees working in a collaborative manner to align resources and service level enhancements that are consistent with the City Council's and community's priorities, while continuing to maintain fiscal responsibility. In implementing the Council's budget, our team strives to advance our organizational values of teamwork, customer service, innovation, meeting challenges, and professional development. I want to acknowledge and thank all of them for their efforts to improve the community we serve. It is an honor to work with such a dedicated, community-focused team of professionals.

The FY 16-17 and 17-18 Adopted Budgets represent the continued commitment of the City Council and all City employees to preserve and improve the unique qualities of Morgan Hill. The budget provides guidance by which we move forward to enhance services and ensure long-term fiscal sustainability. As we continue to work on key initiatives, there are many signs that the Morgan Hill community will thrive. At the same time, the Council and community must continue to find ways to ensure that the community's quality of life priorities are sustained so Morgan Hill remains a highly desirable place to live, work, play and do business.

Sincerely,

Steve Rymer
City Manager

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CITY OF MORGAN HILL

City Manager's Office
17575 Peak Avenue
Morgan Hill, CA 95037
TEL: 408.779.7271
Fax: 408.779.1592
www.morganhilll.ca.gov

July 1, 2016 (Updated Post Budget Adoption)

Subject: FISCAL YEARS 2016-2018 ADOPTED BUDGET

Honorable Mayor and City Council Members,

On behalf of my Morgan Hill teammates, it is a privilege to present to you and the community the Adopted Fiscal Year 16-18 Biennial Operating Budget and FY 16-17 through FY 21-22 Capital Improvement Program Budget (CIP). This is the first year of the transition to a two year operating budget cycle and six year CIP. The biennial budget consists of two separate budgets that the Council will consider for adoption. Prior to the conclusion of the FY 16-17 annual budget, the Council will be provided an update on revenue assumptions, fund balances, and possible amendments to the FY 17-18 (or second year) annual budget. A sixth year has been added to the CIP to ensure a five year spending plan is maintained. The budget documents are the product of many employees working in a collaborative manner to align resources and propose service level enhancements that are consistent with the City Council's and community's priorities, while continuing to maintain fiscal responsibility. In implementing the Council's budget, our team strives to advance our organizational values of teamwork, customer service, innovation, meeting challenges, and professional development. I want to acknowledge and thank all of them for their efforts to improve the community we serve. It is an honor to work with such a dedicated, community-focused team of professionals.

City Council Priorities and Goals

The budget process commences in January with the City Council adopting its priorities, goals, and strategies for the organization and community. The Council's ongoing priorities include:

- Enhancing public safety
- Protecting the environment
- Maintaining fiscal responsibility
- Supporting youth
- Fostering a positive organizational culture
- Preserving and cultivating public trust

In addition to the City Council's priorities, five specific Focus Areas were recognized by the Council that will require significant resources:

- Planning our community
- Developing our community
- Enhancing our services
- Improving our communication
- Participating in regional initiatives

Furthermore, consistent with the City's previous community engagement and commitment to understanding resident satisfaction and service priorities, the City of Morgan Hill commissioned Godbe Research to conduct a telephone survey to assess resident satisfaction and priorities for City services. The results show constituents are highly satisfied with their quality of life and the services the City provides. An overwhelming majority of 90% of respondents rate Morgan Hill's quality of life as "excellent" or "good." And among several other very positive findings, 92% rate Morgan Hill "excellent" or "good" as a place to live.

Residents identified the following quality of life service priorities:

- Rapid response to 9-1-1 emergencies
- Maintaining the number of police officers on neighborhood patrols
- Maintaining crime prevention and investigation programs
- Maintaining fire protection
- Maintaining city streets and roads, and repairing potholes
- Maintaining the long-term financial stability of the City

To learn more from our residents, the City has recently begun engaging the community further to obtain additional feedback about Morgan Hill's quality of life needs and to ensure as many people as possible have an opportunity to share their views. This includes a survey, meetings with community organizations (Chamber of Commerce, Jackson Oaks Association, etc.), and another survey in July. Results from both the previous and current surveys can be found in the budget document as well as on the City's website.

This priority based budget strategy ensures that the Council's and community's priorities are the guiding principles for developing the biennial operating budget and capital improvement program with the goal of enhancing City services. The Adopted budget strives to achieve this goal in a cost effective manner and at all times, long-term financial sustainability is the focus. This includes ensuring that revenues and expenditures remain in balance and ongoing and one-time expenditures are proposed as resources allow. The adopted budget also continues to take incremental steps to address the backlog of unfunded or

deferred infrastructure and maintenance needs as has been discussed and documented over the past two years.

With the Council's and community's priorities in mind, each operating department proposed enhancements --otherwise known as "decision packages"--which they believed would advance the aforementioned priorities. The decision packages were categorized as ongoing (e.g., personnel) or one-time investments (e.g., capital improvement project) and evaluated to determine which would best meet the community's needs within the City's financial resources. Highlights of the resulting service enhancements follow with more detailed explanations in the respective department narratives. Each decision package may advance more than one Council priority, though each has been included only in its most significant priority.

The Adopted biennial budget continues to align new ongoing service enhancements with ongoing funds to support those additions. In addition, one-time funds will be strategically invested to meet one-time needs, such as addressing a portion of the City's needed but unfunded infrastructure and maintenance needs, setting aside or prefunding obligations, and investing in technology to efficiently and effectively deliver a high level of service to our community.

The following outlines the decision packages that have been included in the adopted budget. It is important to realize that these are funded through a variety of sources and not just solely by the General Fund.

Enhancing Public Safety

- Hire a full-time Public Safety Dispatch Supervisor in the Police Department which was eliminated during the economic downturn to supervise and manage the day-to-day operations of the communication center and to ensure the center's operational effectiveness - $158,000 (ongoing)
- Purchase Patrol rifles specific to each officer for personalization of weapon - $65,000 (one-time)
- Purchase trunk vaults to secure Police weapons - $9,600 (one-time)
- Purchase Police Department flashlights and start-up supplies for Traffic Division motorcycles - $10,800 (one-time)
- Implement a dataworks interface with the County's Records Management System enabling booking photos to be registered in a countywide booking system - $5,000 (one-time)
- Purchase a used reserve fire engine as a back up to the City's existing Fire Department fleet - $35,000 (one-time)
- Replace garage door openers for the El Toro and Dunne Hill Fire Stations as their useful life has been exceeded - $12,000 (one-time)

- Purchase and install Automatic External Defibrillators (AED's) in all patrol vehicles - $30,000, offset by $30,000 in grant revenue (one-time)
- Upgrade and provide annual maintenance for our body worn cameras - $ 28,500 (ongoing)

Protecting the Environment

- Include $6 million in the CIP for agriculture preservation as previously directed by the Council
- Continue water supply planning to evaluate ways to maintain (and potentially increase) the capacity for water storage in the Llagas groundwater basin - $100,000 annually (over two fiscal years)
- Fund a part-time teammate to assist with inspecting outfalls in the community creeks to help identify sources of pollution and ensure that pollution is stopped before it enters the creeks - $1,900 (ongoing)

Maintaining Fiscal Responsibility

- Increase the General Fund investment for street improvement projects - $250,000 annually (ongoing for three years)
- Continue to address the City's unfunded Other Post Employment Benefits (OPEB) liability by contributing to the Trust Fund in the amount equal to the Annual Required Contribution (ARC) so that the unfunded liability decreases over time - $300,000 annually (all funds)
- Meet the Pension Stabilization Account funding goal of $500,000 to ensure the City is prepared for any unanticipated PERS rate changes - $300,000 (one-time all funds)
- Set aside funds for Firearms Replacement program - $10,000 (ongoing)

Supporting Youth

- Initiate a three year effort to install decorative crosswalk near community schools as part of the City's safe routes to school CIP - $100,000 annually (over three fiscal years)
- Support Downtown Investment Strategy and provide additional park spaces by initiating the construction of 3 Downtown parks - CIP $4,051,000
- Collaborate with the community for the design and construction of a $4 million inclusive playground that is envisioned to be substantially funded through donations - $550,000 (one-time)

Fostering a Positive Organizational Culture

- Purchase WorkFit height adjustable work stations to allow the Police Department's Records Team to sit or stand while working at their desk - $5,000 (one-time)
- Investment in City's Information Services infrastructure by continuing exchange server upgrade and implementation of workstation virtualization which would provide a more highly flexible and secure workstation delivery model - $565,000 over two years
- Paint the exterior of El Toro Fire Station to protect the fire station from further damage due to age - $15,000 (one-time)
- Re-roof Dunne Hill Fire Station as the old roof has reached its useful life and started leaking into the living space of the fire station - $46,000 (one-time)

Preserving and Cultivating Public Trust

- Add an accounting manager position to enhance service delivery and internal control procedures - $143,000 (ongoing)
- Purchase electronic Form 700 and campaign finance filing software system - $6,000 (ongoing)

Planning Our Community

- Hire a GIS/Land Use Data Administrator responsible for the design, operation, and administration of Citywide GIS infrastructure - $159,000 (ongoing)
- Establish an Economic Development Internship program - $22,000 (ongoing)

Developing Our Community

- Hire a Senior Project Manager to advance recreation, parks, and community capital projects, while decreasing contractual services expenses - $189,000 (ongoing). Note that expense is entirely offset by savings in contractual services
- Hire a Public Works Inspector to expedite development and CIP projects while decreasing contractual services expenditure – $152,000 (ongoing). Note that expense is entirely offset by savings in contractual services
- Hire a full-time Municipal Services Assistant to provide support for the Building and Code Compliance divisions - $104,000 (ongoing). Note that expense is offset by a $29,000 savings in part-time expense

Enhancing Our Services

- Purchase OpenCounter Economic Development online software to make City Hall more accessible and user-friendly - $25,000 (one-time)
- Continue to provide high level of service for our older adults and ensure Morgan Hill seniors are able to receive support through County, State, and Federal programs by providing additional funding for senior services case management - $10,000 (ongoing)
- Install pathways and seating at the dog park - $18,000 (one-time)
- Invest approximately $2 million over two years in future building replacement fund for improvement projects (e.g., CRC locker room improvements, CRC fitness equipment replacement, Police Department carpet replacement)
- Fund temporary, part-time support to provide ongoing administrative maintenance services - $23,700 (ongoing)
- Fund temporary, part-time teammate to clean and support the City's public art programming - $6,600 (ongoing)
- Fund temporary, part-time project support in the City Manager's Department to assist with significant projects and initiatives - $50,000 (ongoing)
- Increase funding for housing domesticated dogs and cats - $9,500 (two year trial)

Improving Our Communication

- Conduct a comprehensive internal and external Communications Assessment to evaluate the effectiveness of our current communication efforts - $25,000 (one-time)
- Implement lobby and signage improvements at the Morgan Hill Dennis Kennedy Aquatics Center - $28,000 (one-time)
- Install park display boards to increase citywide communications and engagement - $8,800 (one-time)

In addition, at the Council's goal setting workshop in January, there were community requests and Council discussion about enhancing animal control services and potentially partnering with the Morgan Hill Historical Society to operate and improve Villa Mira Monte. The Police Department has further evaluated our level of animal control services and will be providing a report on May 4 to update the Council and receive any further direction. If additional resources above and beyond those Recommended in the

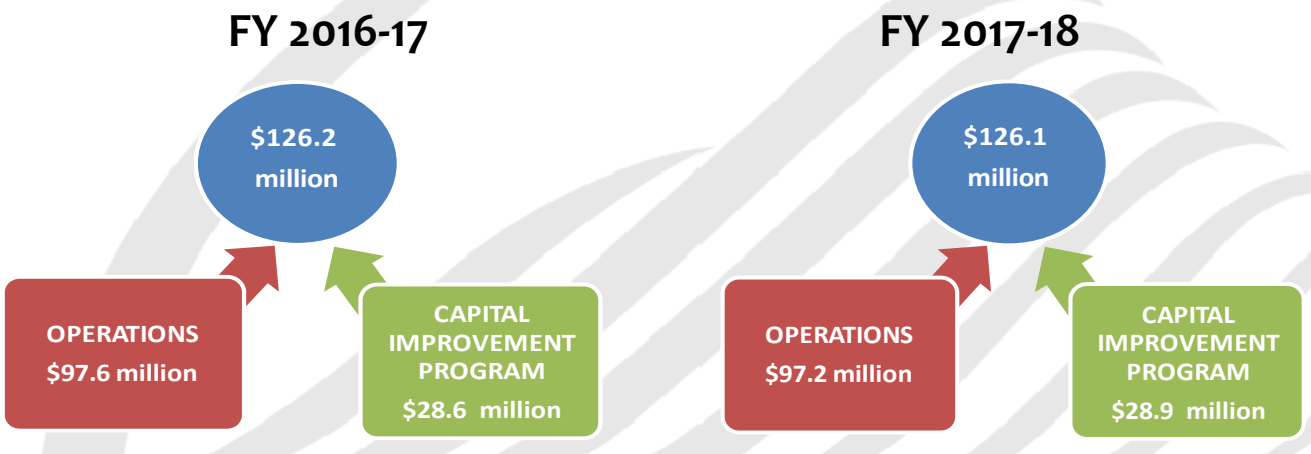
proposed budget are desired by the Council, the appropriate research will be completed or funds appropriated prior to the Budget Workshop on May 20.

For the Historical Society's request, we are planning to make a recommendation to the Council as part of the Parks, Recreation, and Trails Master Plan report in September 2016. As discussed at the Council's workshop, the Historical Society's request will need to be prioritized with other park and recreation projects as funds are limited. The City's Community Services Director has been working with representatives of the Historical Society since February. At the April 19, 2016, Parks and Recreation Commission meeting, the Commission reviewed the proposed CIP and Adopted that Villa Mira Monte be added at this time. Staff continues to recommend that this decision be made once the Master Plan is complete and accordingly no project costs have been added to the CIP.

Also included in the Council's workshop discussion were several major studies and initiatives that are underway. These include developing a Public Safety Master Plan, creating an Economic Development Blueprint, evaluating the effectiveness and efficiency of our development services processes and organizational structure, updating the Parks, Recreation, and Trails Master Plan, updating the Water Master Plan, updating the Wastewater Master Plan, and developing a long-term solution for our affordable housing administration. In each case, the adoption of the FY 16-18 operating and capital budgets will occur prior to the conclusion of the necessary work. As a result, it is envisioned that service enhancement budget amendments may be necessary in the months following budget adoption. This could include, but not be limited to, additional capital projects, organizational structure changes, and enhanced services that advance the Council's and community's quality of life priorities.

Budget Overview

The total Adopted Biennial Budget is $126.2 million in FY 16-17 and $126.1 million in FY 17-18 as shown below. This includes all expenditures in two major categories; 1) operations and 2) capital projects. A detail of each project description and funding requirements for FY 16-17 and FY 17-18 can be found in the accompanying operating departments and Capital Improvement Program sections of this document.



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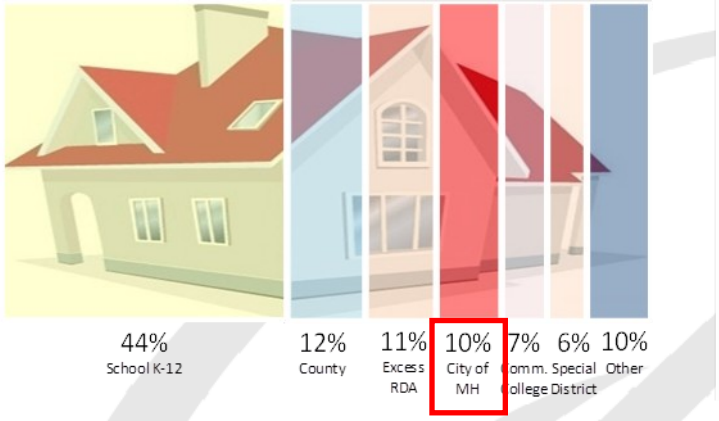
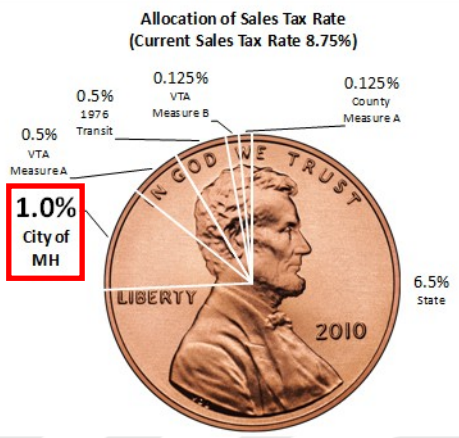
General Fund

The General Fund (GF) is the City's most visible fund because it accounts for many of the City's services that most residents relate to including police, fire, recreation, street maintenance, municipal governance, and administrative services. In the Adopted FY 16-18 Biennial Budget, over 79 percent of General Fund revenue will be derived from four sources 1) property tax of $10.0 million for FY 16-17 and $10.1 million for FY 17-18, 2) sales tax of $8.8 million for FY 16-17 and $9.2 million for FY 17-18, 3) recreation revenue of $6.9 million for FY 16-17 and $7.3 million for FY 17-18, and 4) Transient Occupancy Tax (TOT) of $2.7 million for FY 16-17 and $2.8 million for FY 17-18. The remainder of revenue is generated by other charges for services, grants, and transfers. Property tax revenue for FY 16-17 and FY 17-18, based on the most recent information provided by the County of Santa Clara, is projected to increase by 10 percent and 12 percent, respectively, compared to the FY15-16 Adopted Budget as newly built housing units are added to the assessor's roll, Proposition 8 temporary reductions granted by the County Assessor's Office during the Great Recession are gradually restored, and property values increase. Subsequent years are estimated to increase by 3%, 3.5%, and 3.5%.

Sales tax revenue, is estimated to decrease approximately 4 percent in FY 16-17 compared to FY 15-16 year end projection, primarily due to ending of triple-flip and true-up payment to occur in FY 15-16. For FY 17-18, sales tax revenue is expected to increase by 4 percent compared to FY 16-17, largely due to continued moderate economic growth forecasted for the region and new business growth. Subsequent forecast years assume an average annual growth of approximately 4 percent. From a property and sales tax perspective, it is important to understand that the City only receives a small portion of the total taxes paid by residents, businesses, and visitors as depicted in the following images.



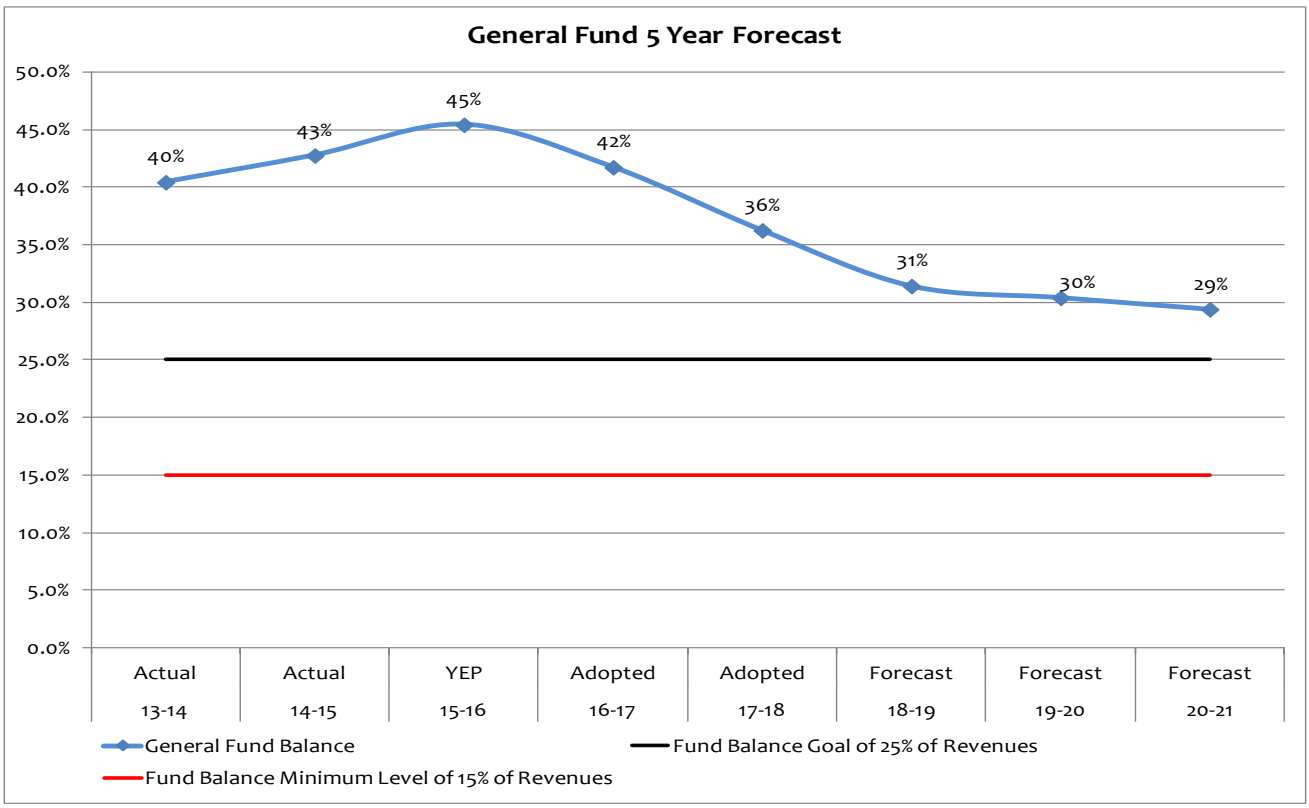


Recreation revenue from membership sales, program registrations, and facility rentals continue to maintain their high levels, with a noticeable increase expected to start in the second half of FY 17-18 due to a scheduled fee increase. To ensure the City has the resources to operate and maintain its recreation facilities, the City's membership rate strategy is to increase rates once every three years (January 2018, 2021, etc). The adopted budget includes rate increases for Aquatics Center daily admission, room rental at Cultural and Community Center (CCC) and Centennial Recreation Center. Furthermore, additional programs are planned for adult sports leagues, Older Adult Services, and fee based events at the CCC. The City's diverse programs and activities have grown in the past years and community feedback indicates interest in other types of sports and programs. The increase in rates and additional programs and services are projected to generate additional net revenue of approximately $115,000 per year.

Finally, the City is experiencing a historic high level of revenue from TOT due to a strong economy, the regional use of the City's Outdoor Sports Center and Aquatics Center, and a burgeoning tourism economy. Based on current year activity levels, TOT is estimated to reach a new high of $2.7 million in FY 16-17 and $2.8 million in FY 17-18 with the increase coming from new hotels such as La Quinta, a 104-room hotel and a planned 60-room boutique hotel in Downtown. The table below summarizes the major General Fund revenue by category compared to FY 15-16.

Revenue	FY 15-16 Year End Projection	FY 16-17 Adopted	FY 16-17 % Change vs FY 15-16	FY 17-18 Adopted	FY 17-18 % Change vs FY 16-17
Property Tax	$ 9,944,000	$ 9,961,000	0.2%	$ 10,114,000	1.5%
Sales Tax	9,186,200	8,819,767	-4.0%	9,151,500	3.8%
Recreation	6,625,711	6,862,661	3.6%	7,262,583	5.8%
TOT	2,400,000	2,684,700	11.9%	2,827,050	5.3%
Other	6,233,552	6,244,828	-1.9%	6,127,047	-1.4%

Overall, the City's General Fund is expected to remain in a stable position and be operationally balanced over the forecast period. The expenditures in the Adopted Biennial Budget are forecasted to exceed the projected revenues by $1.2 million in FY 16-17 and $1.6 million in FY 17-18 as the City continues to strategically invest accumulated fund balance in the community. Revenues and expenditures are forecasted to be in alignment in each year beginning FY 19-20. As evidenced by the General Fund 5 Year Forecast as shown below, GF reserves remain above the Council's 25 percent policy during the entire five year forecast.



From a dollar standpoint, the GF's fund balance is forecasted to decrease from $16.3 million at the conclusion of FY 15-16 to $12.2 million by the end of FY 20-21 primarily due to the aforementioned additional investments in the City's street infrastructure, gradually restoring staffing levels in high priority areas, and addressing unfunded OPEB and PERS liabilities (all of which are further explained in subsequent sections of the Budget Message).

General Fund 5 Year Forecast

(in millions of dollars)

	15-16 YEP	16-17 Adopted	17-18 Adopted	18-19 Forecast	19-20 Forecast	20-21 Forecast
Beginning Balance	$15.0	$16.3	$15.1	$13.5	$12.2	$12.2
Revenues/Transfers In	36.0	36.2	37.1	39.0	40.2	41.5
Expenditures/Transfers Out*	(34.7)	(37.4)	(38.8)	(40.2)	(40.2)	(41.5)
Ending Balance	$16.3	$15.1	$13.5	$12.2	$12.2	$12.2
GF Fund Balance/Reserves (%)	**45%**	**42%**	**36%**	**31%**	**30%**	**29%**
Operating Margin	$1.3	$(1.2)	$(1.6)	$(1.2)	$(0.0)	$(0.0)

*Includes Anticipated Salary Savings

From a spending perspective, the Council has discretion on how to spend approximately $24.2 million of the $36.1 million in GF revenue. This is due to the fact that over $11.9 million in GF revenue is related to a specific service and can only be used to provide that service (e.g. recreation services). The Biennial Budget recommends that the Council allocate its discretionary funds as depicted in the following chart. As demonstrated, public safety continues to be the number one priority as 75 percent will be used for Police and Fire services. The remaining 25 percent of discretionary revenue is appropriated to pay for economic development, finance, human resources, City Clerk, recreation services, environmental services, street, parks, public facilities, Downtown maintenance, City Attorney, and City Manager services.

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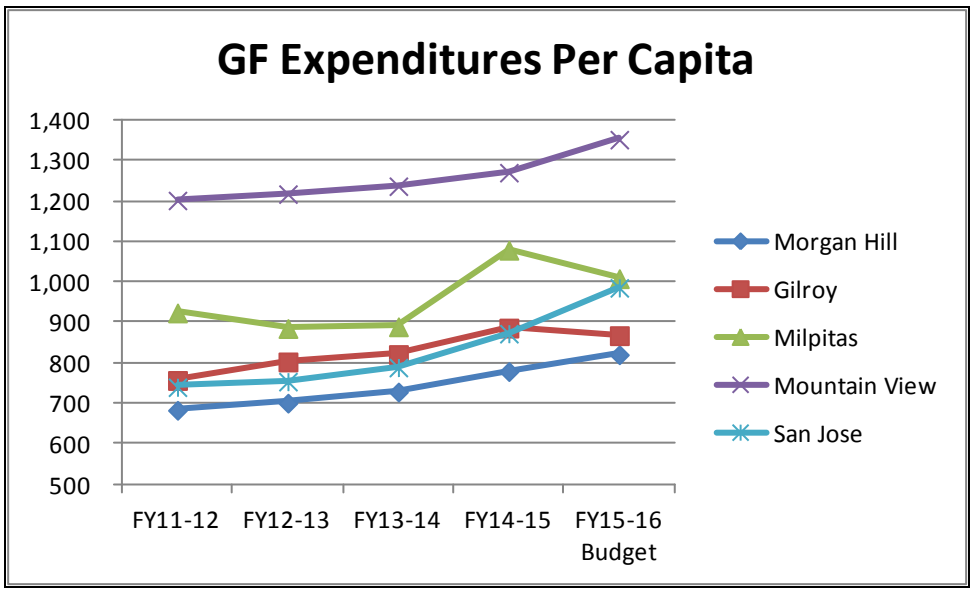
Department	Total Costs	Less Dept Revenues	Less Transfer In	Net Costs	Percent of total
Police	$ 15,233,030	$ (980,669)	$ (100,000)	$ 14,152,361	54.9%
Fire	5,288,996	(268,397)	-	5,020,599	19.5%
Administration	4,395,822	(2,093,888)	-	2,301,934	8.9%
Pavement Rehab CIP	1,000,000	-	-	1,000,000	3.9%
Recreation & Community Services	7,499,482	(6,762,818)	(75,000)	661,664	2.6%
Street Maintenance	2,064,401	-	(1,452,581)	611,820	2.4%
Economic Development	467,000	-	-	467,000	1.8%
SVRIA Public Safety	290,000	-	-	290,000	1.1%
Downtown Maintenance	241,610	-	-	241,610	0.9%
Park Maintenance	200,000	-	-	200,000	0.8%
OPEB	166,593	-	-	166,593	0.6%
PERs Rate Stabalization	166,593	-	-	166,593	0.6%
Environmental Programs	348,754	(203,902)	-	144,852	0.6%
Code Compliance	135,689	-	-	135,689	0.5%
Pedestrian Safety	100,000	-	-	100,000	0.4%
Congestion Management	75,219	-	-	75,219	0.3%
Future Replacement - Council Chamber Building	29,362	-	-	29,362	0.1%
Long Range Planning	23,100	-	-	23,100	0.1%
Building Maintenance - El Toro Youth Center	9,781	-	-	9,781	0.0%
Cable TV	48,258	(50,456)	-	(2,198)	0.0%
TOTALS	**$ 37,783,691**	**$ (10,360,130)**	**$ (1,627,581)**	**$ 25,795,980**	**100%**

The General Fund expense budget is $37.8 million and $39 million for FY 16-17 and FY 17-18, respectively. FY 16-17 salaries and benefits increased 8 percent or $1.4 million from last year amended budget primarily due to scheduled pay increases per MOU, pension and health premium costs, additional funding of 3 full-time equivalents (FTEs), and non-benefitted part-time positions including the recently approved State minimum wage increases. For FY 17-18, salaries and benefits increased 4 percent or $0.8 million compared to Adopted FY 16-17 primarily due to aforementioned reasons but without new FTE. The non personnel budget for the General Fund in the Adopted Biennial Budget increased 2 percent or $329,000 for FY 16-17 compared to FY 15-16 Amended Budget mainly due to an increase in the annual General Fund investment for street improvement projects from $750,000 to $1,000,000, funds set aside to address the City's unfunded OPEB and pension liabilities, and service enhancements, partially offset by reduction in supplies and services. Non personnel budget for FY 17-18 increased incrementally, 2 percent or $379,000 from FY 16-17 mainly due to overall cost inflation factor. With this being said, it is important for the Council and community to understand that the City is not yet in the financial position to address its aging public infrastructure (streets, facilities, parks) in an ongoing manner that significantly reduces its deferred maintenance backlog or decreases the level of annual decline. As demonstrated on the following page, Morgan Hill has the lowest General Fund expenditures per capita compared to a sample of surrounding cities.



As the GF Reserves have accumulated to a healthy level resulting from prior Council actions and better than expected revenue growth in the past few years, it is prudent to continue the Council's tradition of using excess reserves to invest in the community. The FY 16-18 Biennial Budget uses GF reserves to increase the annual GF investment for street improvement projects to $1,000,000 from $750,000, for an additional investment of $500,000 in the two year budget cycle. In addition, to ensure future financial stability of the City operations, the Budget calls for an expedited repayment schedule of SVRIA costs for the infrastructure, consoles and radios for the Fire and Police department. The initial cost of approximately, $1,000,000, was funded by an advance from the Equipment Replacement fund. The plan is to have the costs repaid within three years or by FY 18-19, instead of the prior repayment schedule of ten years. An additional funding of $300,000 in FY 16-17 to the "PERS Stabilization Account" is also included in the Adopted Biennial Budget. With the aforementioned funding, the account will have a balance of $500,000 that could be used to mitigate the wide swings of PERS rate increases and allow for the pre-payment of unfunded pension obligations. With the aforementioned use of resources, the GF Reserve is projected to remain above Council's reserve policy in each year of the five year forecast as previously stated.

Community Development Fund

The Community Development Fund is a special revenue fund that is entirely supported by fees paid from developers and residents for planning, building, and engineering services. This fund has experienced noticeable fund balance growth during the past few years due to the surge in building activity resulting from the backlog of housing allocations and a slow resurgence of commercial and industrial development.

However, the fund began to tap into its reserve in the current year mainly due to large projects undertaken such as the General Plan Update and the purchase and implementation of the new permitting system,

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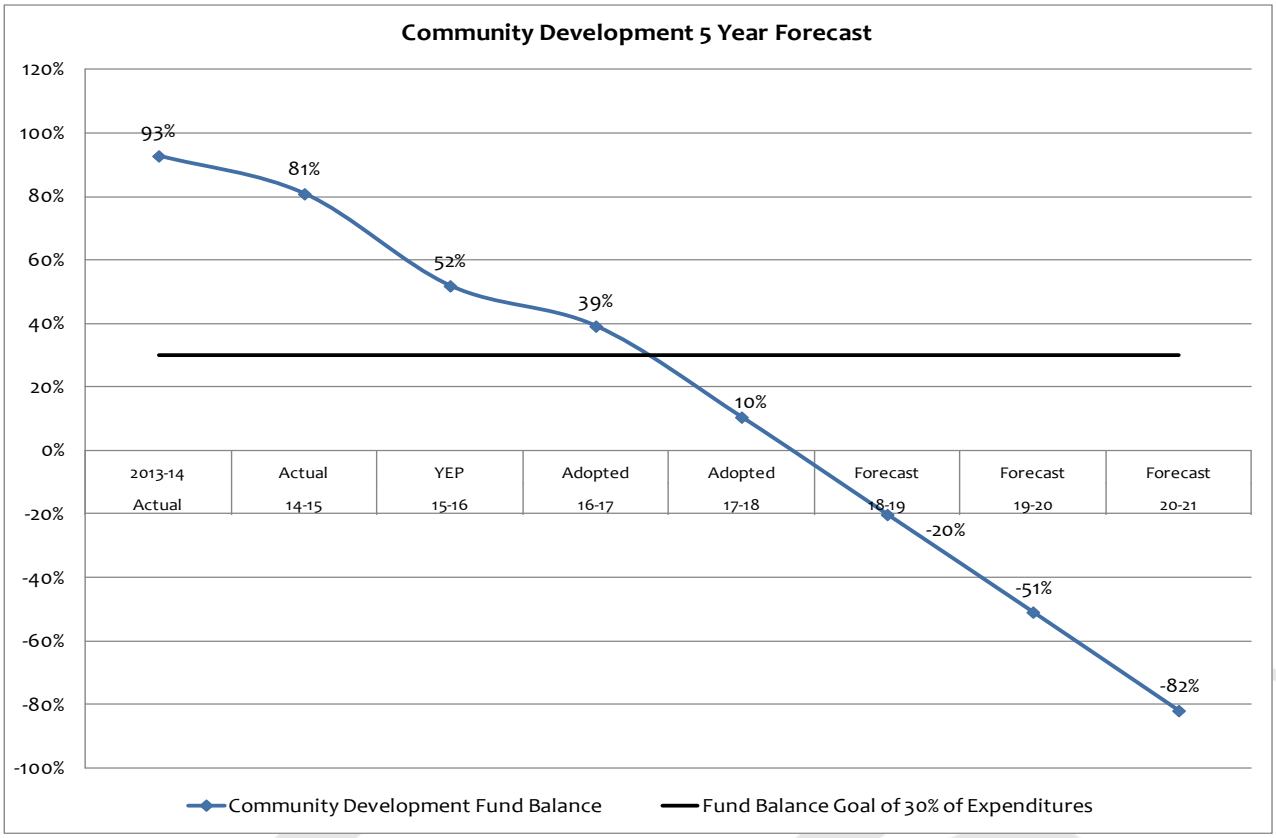
TRAKiT. The fund is forecasted to continue to be structurally imbalanced in the Biennial Budget requiring significant use of its reserves to cover expenses. The fund reserve is projected to drop below the Council's 30 percent reserve level policy if all assumptions (both revenue and expenses as described below) hold true. The structural imbalance will continue and the fund is estimated to deplete its fund balance and rely on support from another fund. To address this fact, the Community Development Department's FY 15-16 work program includes measures to complete and implement an updated fee study with plans to present to City Council an updated fee schedule in the summer 2016. If the Council decides to revise the fees, the 5 year forecast will be updated accordingly. The fee update recommendation will be made in conjunction with service level enhancements being evaluated to ensure high quality services are provided to our community.



The Community Development Fund is an economically sensitive revenue category and is directly linked to private development activity. Based on projections provided by the Community Development Department, construction activity is anticipated to continue at higher than normal levels for FY 16-17, but lower than the peak levels experienced in 2014-2015. Revenue is estimated at $4.4 million and $3.7 million for 16-17 and 17-18 respectively, a 13% and 27% decrease for FY 16-17 and FY 17-18, respectively, compared to $5.0 million in 2014-2015, which was the peak year. The revenue is expected to maintain at a stable level of approximately $3.8 million per year in the out years through 2020-21.

The Community Development Fund expense budget is $5.1 million for both FY 16-17 and FY 17-18, a decrease of 9 percent from last year primarily due to the completion of significant items such as the implementation of an integrated, electronic permit tracking system.

Community Development 5 Year Forecast

(in millions of dollars)

	15-16 YEP	16-17 Adopted	17-18 Adopted	18-19 Forecast	19-20 Forecast	20-21 Forecast
Beginning Balance	$3.7	$2.7	$2.0	$0.5	$(1.1)	$(2.8)
Revenues/Transfers In	4.3	4.4	3.7	3.7	3.8	3.8
Expenditures/Transfers Out	(5.3)	(5.1)	(5.1)	(5.4)	(5.5)	(5.7)
Ending Balance	$2.7	$2.0	$0.5	$(1.1)	$(2.8)	$(4.7)
Fund Balance/Expenditure (%)	**52%**	**39%**	**10%**	**(20%)**	**(51%)**	**(82%)**
Operating Margin	$(1.0)	$(0.7)	$(1.5)	$(1.6)	$(1.7)	$(1.8)

Water and Wastewater Funds

The Water and Wastewater Utilities are enterprise funds that derive all of their operating revenue from customer charges. As a result of the January 2016 rate studies, the Council approved a five year annual rates adjustment plan to ensure that public safety and health remain a priority, the integrity and reliability of these essential community assets can be maintained, and aging and inefficient infrastructure replaced. In addition, the approved rate adjustments provide proper reserve levels in accordance with Council policy and continue meeting legally required debt coverage.

With the approved rate adjustments, the City's Water revenue is forecasted to steadily increase from $10.0 million in FY 16-17 to $15.5 million in FY 20-21 and for Wastewater from $10.4 million in FY 16-17 to $12.2 million in FY 20-21. As summarized in the table below, the Water Operations is forecasted to continue tapping into its reserve to fund its operations in the short term and fall below Council's 30 percent reserve policy. By FY 17-18, revenues would begin to exceed expenditures and start generating surplus to allow the fund to begin building up its reserve to meet reserve fund targets set by City Council. The fund is forecasted to meet Council's reserve policy by FY 20-21.

Water Operating Fund 5 Year Forecast

(in millions of dollars)

	15-16 YEP	16-17 Adopted	17-18 Adopted	18-19 Forecast	19-20 Forecast	20-21 Forecast
Beginning Balance	$2.7	$1.5	$0.7	$1.0	$1.4	$2.4
Revenues/Transfers In	8.8	10.0	12.2	13.3	14.5	15.5
Expenditures/Transfers Out	(10.0)	(10.8)	(11.9)	(12.8)	(13.5)	(14.3)
Ending Balance	$1.5	$0.7	$1.0	$1.4	$2.4	$3.6
Fund Balance/Expenditure (%)	15%	6%	8%	11%	18%	25%
Operating Margin	$(1.2)	$(0.8)	$0.3	$0.5	$1.0	$1.2

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Unlike the water fund, the wastewater fund, including rate stabilization and system replacement fund reserves, is projected to have a healthy beginning fund balance of approximately $8.2 million. Also, unlike the water fund, the drought conditions that have significantly impacted the water fund due to reduced water consumption have had a minimal impact on the wastewater fund because rates are set from a three month average of water consumption during the winter months, which is typically the lowest period of water consumption. As a result, the Council has made the determination that the previously adopted 3.5% rate adjustment that would have gone into effect January 1, 2016 for wastewater not be implemented. The Council has approved nominal rate adjustments over the next five years.

Wastewater Operating Fund 5 Year Forecast

(in millions of dollars)

	15-16 YEP	16-17 Adopted	17-18 Adopted	18-19 Forecast	19-20 Forecast	20-21 Forecast
Beginning Balance	$4.3	$2.9	$2.6	$2.7	$2.8	$2.9
Revenues/Transfers In	10.1	10.4	10.8	11.3	11.7	12.2
Expenditures/Transfers Out	(11.6)	(10.6)	(10.7)	(11.2)	(11.6)	(12.1)
Ending Balance	$2.9	$2.6	$2.7	$2.8	$2.9	$3.0
Fund Balance/Expenditure (%)	**25%**	**25%**	**25%**	**25%**	**25%**	**25%**
Operating Margin	-$1.5	-$0.2	$0.1	$0.1	$0.1	$0.1

Housing

Even though several years have passed since the dissolution of Redevelopment Agencies (RDA) by the State of California, the City's Housing program is still dealing with the loss of $4 million in annual funding to support the rehabilitation and development of affordable housing in Morgan Hill. These housing funds were one of the significant cornerstones of the City's very successful housing program, and made possible most of the City's housing programs.

The revenue needed to fund the City's housing programs is now directly aligned with the health of two funds: the Housing Mitigation Fund (Fund 236), which is infused with payments from residential developers who opt to pay the Below-Market-Rate (BMR) in-lieu fee instead of building BMR units, and the former RDA Housing Fund (Fund 255), which will receive continuing program income from the Agency's legacy projects and assets, as well as Supplemental Educational Revenue Augmentation Fund (SERAF) loan repayments, which are expected to be completed over a five year period.

With a projected $6.7 million fund balance to start FY 16-17, the City has a healthy fund balance to continue its active housing program for the short term, though the long term outlook is less favorable. Because of this, we are actively participating in discussions to leverage regional resources with partners throughout the county, region, and state. In addition, the City Council will be holding affordable housing policy workshops in May and June to discuss the Council's priorities and policies.

Park Maintenance Fund

Morgan Hill funds its park maintenance activities from the City's Park Maintenance Fund. The revenue for this fund is derived from the City's Residential Development Control System (RDCS) process and represents "voluntary" payments that assist developers in gaining points for housing allocations. When this fund was established more than 10 years ago, the goal was to "endow" park maintenance so that it would not rely on the General Fund. However, to make this a reality, the fund would need to grow to at least $30 million so the annual interest would cover the cost of park maintenance expenses. Today, this fund has a balance of approximately $5.4 million.

Since this laudable goal would take many years to achieve, the Council decided to pay for park maintenance directly from this fund and then augment its funding sources through a $200,000 annual contribution from the General Fund. The Adopted Biennial Budget and subsequent forecast years assume this transfer.

Capital Improvement Program (CIP)

The Adopted FY 16-17 through FY 21-22 CIP totals $107.4 million. The primary project categories include 1) Parks and Recreation ($20.6 million), 2) Public Facilities ($3.6 million), 3) Storm Drainage ($6.0 million), 4) Streets & Roads ($16.5 million), 5) Wastewater ($45.0 million), and 6) Water ($15.7 million).

FY 16-18 CIP is appropriated as part of the FY 16-18 Biennial Budget approval and it totals $57.4 million. Some of the project highlights include the following:

1. Downtown Parks and Trails ($4.1 million): Create parks and trails in the Downtown that are integrated as part of Downtown revitalization.
2. Library Expansion ($3.4 million): Design and construction for the expansion and improvement of the Morgan Hill Library that includes space modification and improvements.
3. Pavement Rehabilitation Program ($3.3 million): Ongoing program to address the City's pavement rehabilitation needs (see additional information in next section).
4. Hale Avenue Extension ($3.9 million): The extension would provide relief for congestion along Monterey Road through the Downtown and relief for the residential areas west of the Downtown. It is important to note that the majority of project funding will need to be secured prior to commencing construction.
5. Sewer Plant Improvement ($1.3 million) and Sewer Plant Expansion Project ($2.0 million): These projects are for the City's 41.9 percent share of the improvement and expansion costs at the South County Regional Wastewater Authority (SCRWA) treatment plant which is co-owned with the City of Gilroy.

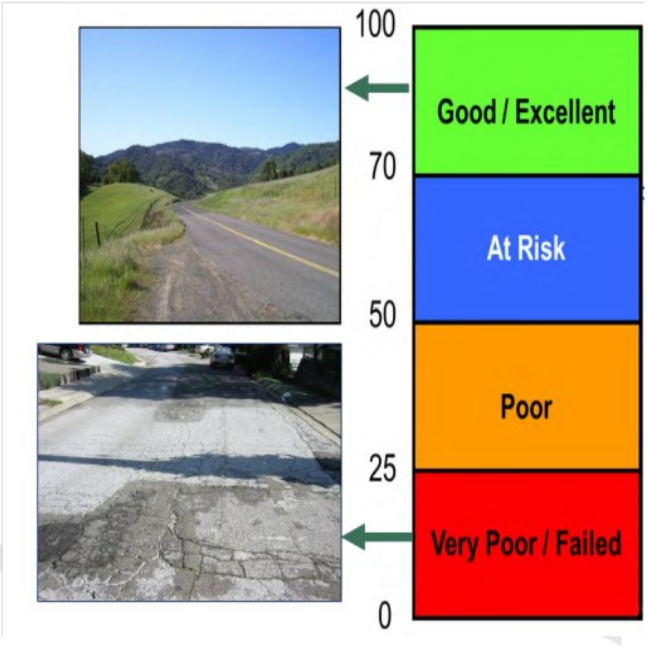
6. New Well Property/Construction ($2.0 million) and New Water Reservoirs ($2.7 million): New water wells are required to meet the City's water supply needs as Morgan Hill grows and to provide the necessary reliability during drought conditions. New reservoirs are needed to increase storage capability and assist meeting peak demand levels.

Public Infrastructure

In Morgan Hill, consistent with other California cities, there is a need for additional public investment in streets, parks and landscape, and public building infrastructure. The City recognizes that ongoing revenue is insufficient to fund these vital community assets at a sustainable level. The condition of the publicly owned infrastructure (especially streets) is deteriorating and the deferred maintenance backlog is increasing. The expense to repair these assets grows as each year passes so it is fiscally responsible to address this issue now.

Through the development of the public *Infrastructure Report* in November 2014, it was determined that the City has an annual funding gap of approximately $5.8 million for its streets, parks, and public facilities infrastructure maintenance.

More specifically for its streets, the City uses the industry standard Pavement Condition Index (PCI) to evaluate street condition and has a goal to have the PCI of 70+. Since 2012, the City's PCI has dropped from 76 to 67 and is now considered "at risk." The current level of funding will result in further PCI decline. The *Infrastructure Report* identified a $4.5 million annual shortfall in streets and roads maintenance funding to improve PCI into the low 70.



As previously noted in the Budget Message, the GF contribution for street improvement projects has increased from $750,000 to $1,000,000 annually in each of the next three fiscal years, bringing the total estimated investment in the City's pavement rehabilitation and safety program in the Biennial Budget to $4.0 million, including gas tax funds and a grant. However, unless new revenue sources can be obtained in future years, the CIP includes a total of only $1.8 million (or $0.6 million each year) for fiscal years 19-20 through 21-22 as shown below.

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Pavement Investment	$2.7M*	$1.3M	$1.4M	$.06M	$0.6M	$0.6M

*Amount includes $705,000 from several legacy assessment districts

To address this reality, the City Council conducted a study session in July 2015 entitled "Best Practices Used by Successful Cities in Preparing for Potential Ballot and/or Revenue Enhancement Measures." At the conclusion of the study session, Council directed staff to engage the community on quality of life services and fiscal issues. Additionally, a global overview of the timing of presenting potential ballot or revenue solutions should reflect the community's perspective. In July 2016, staff will provide the Council with a report on the community's priorities. At that time, the Council will consider if it should ask the community to consider options for funding its quality of life priorities. It is important to note that the Council has yet to make this decision and no new revenues are assumed in the Adopted budget or five year forecast.

Personnel

The City's full-time and part-time employees are one of the most important resources for the delivery of its high quality services. Annual investments in personnel account for approximately $33.5 million or 26 percent of organizational wide expenses in FY 16-17 and $34.9 million or 28 percent in FY 17-18. Of this dollar amount, 67 percent is related to salaries and the remaining 33 percent is attributed to benefits (health insurance, retirement, etc.). As a percent of total costs, Morgan Hill continues to contain its personnel expenses due to the fact that it has a long and successful history of working with other organizations to collaboratively deliver services; most notably, with the YMCA for recreation services, Cal Fire for fire/ emergency medical services, and the City of Gilroy for wastewater services. This results in lower personnel costs now and into the future, which are partially offset by an increase in current contractual services. This use of non-City personnel leads to no additional obligation for future employee benefits and retirement.

As a result of the 2013 labor negotiations, the Council adopted Management Resolution and Council-Appointed Officer contracts, all City employees now equally share any annual increases to the City's retirement (CalPERS) contribution rates. A continued special thanks to all employees is deserved for working collaboratively with the City. Their actions demonstrated their dedication and commitment to the Morgan Hill community and, as importantly, their understanding that fiscal sustainability into the future requires the City and its employees to share the burden. This significant change has and will continue to positively impact the City's ability to meet the community's service level needs and should not go unnoticed.

The Council's Long-Term Labor Policy, Principles, and Strategies' Principle No. 4 – Fiscal Sustainability and Economic Climate states that "all compensation commitments must be made consistent with principles of fiscal sustainability and to ensure the City's long term success in achieving its mission." As part of this principle, "the City will strive to hire contract employees instead of full-time benefitted employees to allow

for greater flexibility during periods of peak demand." Since adopted in 2011, the City has adhered to this principle throughout the organization and especially in development services. The City has contracted to augment its team in the planning, engineering, and building functions to ensure we have the necessary resources to satisfy the expectations of the development community.

Periodically, we review our short and long term needs to determine the resources necessary to provide quality and timely services. As part of the Adopted budget, we are proposing that we transition from contract services to hiring City employees in two areas. This includes hiring a full-time Senior Project Manager to deliver CIP projects (and relieve the existing Senior Project Manager for land development from this responsibility) and a third Project Inspector. This approach is being Adopted because we have determined that the workload in land development, CIP project delivery, and inspections will remain constant in the years to come.

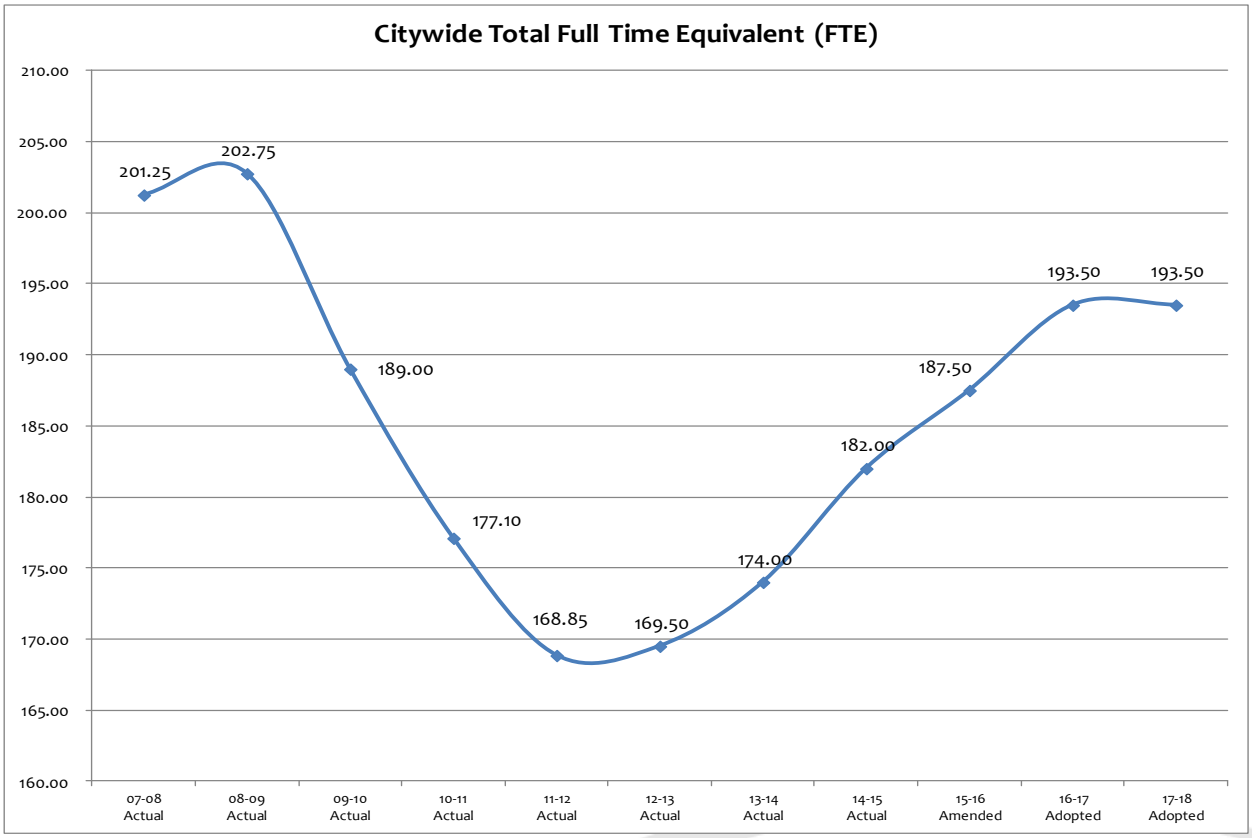
Beginning in FY 16-17, the following personnel changes are included in the adopted budget to enhance services.

New Positions:

- Public Safety Dispatch Supervisor (1 FTE) in the Police Department to supervise and manage the day-to-day operations of the communication center and to ensure the center's operational effectiveness
- GIS/Land Use Data Administrator (1 FTE) in Community Development responsible for the design, operation, and administration of Citywide GIS infrastructure
- Accounting Manager (1 FTE) in the Finance Division to enhance service delivery and internal control procedures
- Public Works Inspector (1 FTE) and Senior Project Manager (1 FTE) in the Public Works Department to deliver CIP projects and increase the level of resources dedicated to development services (entirely offset by reducing contractual services in a greater amount for each position).
- Municipal Services Assistant position (1 FTE) in the Building and Code Compliance Divisions

Reclassify Existing Position:

- Reclassify Assistant Finance Director to Director; Economic Development Manager to Director; Human Resources Manager to Director; and Council Services and Records Coordinator to Manager as each of these positions' responsibilities has evolved to a higher level to meet the needs of our community and customers.



During the Great Recession, the City reduced approximately 34 positions or over 17 percent of its workforce. The City has managed to improve efficiencies, to do more with less staff, but this has continued to place a strain on the organization as the workload continues to be heavy and in many cases, increasing. While the rebounded economy has stabilized the City's General Fund budget, the City needs to enhance and deliver its high level of service to meet our community expectations for public safety, development services, economic development, streets, parks, and recreation services, among others. With these additions, the City would now have a total of 193.5 FTEs. This is an increase of 6 FTEs from FY 15-16, though still below the 202.75 FTEs in FY 08-09. Even with these additions, Morgan Hill continues to have the lowest

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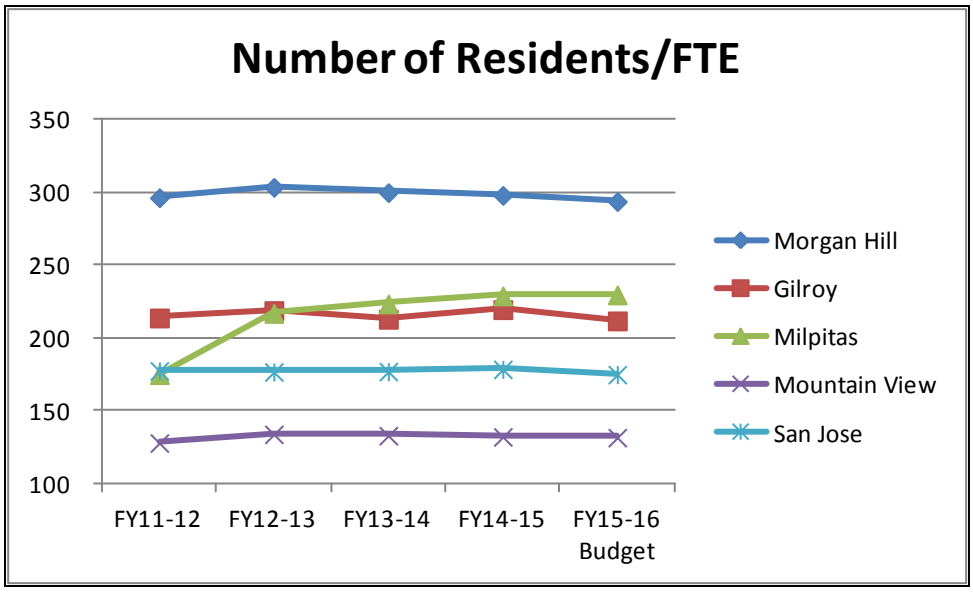
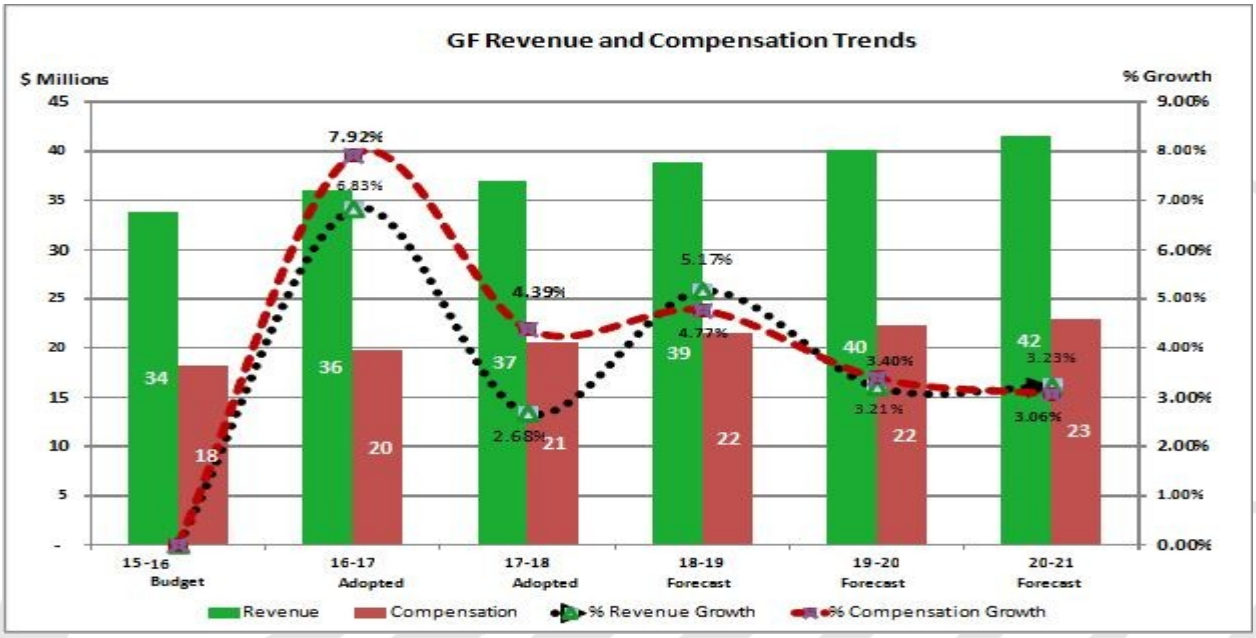
number of FTE per capita (or highest number of residents per FTE) compared to a sample of surrounding cities as illustrated in the chart below:



In addition, the City has evaluated the increase in General Fund employee expenses with revenue growth to ensure that long term sustainability is achieved. As demonstrated below, projected growth in revenue and total General Fund employee compensation is equal in the final years of the five year forecast.



State of California Minimum Wage Increase

On April 4, 2016, California Governor Jerry Brown signed legislation that will raise California's minimum wage to $15 per hour by 2022 from $10 per hour currently. The minimum wage hike is estimated to have a fiscal impact to the City. The majority of the impact would be in the Community Services Department as it has the most part-time teammates providing front-line services at the recreation facilities such as Morgan Hill Dennis Kennedy Aquatic Center, Community Cultural and Center, and Centennial Recreation Center. In addition to the City-employed teammates, the minimum wage increase is expected to directly impact our YMCA partners which in turn would impact the City as the increase will impact the cost of YMCA partnership services paid by the City. The Adopted budget includes the fiscal impact from the minimum wage increase of approximately $718,000 over the five year forecast.

Employee Pension

The City provides retirement benefits to its employees through the California Public Employee Retirement System (CalPERS). Like most California cities, Morgan Hill provides a defined benefit pension to its employees. As seen in recent years, retirement costs have been fluctuating and will likely continue to experience upward or downward swings based on actual investment performance of CalPERS and changes in actuarial economic and demographic assumptions. In FY 16-17, the City's contribution for sworn police officers is 35.963 percent of pay, lower than CalPERS required employer's contribution due to the 3.263 percent shared by our employees. The projected City's contribution for sworn police officers for FY 17-18 is 41.412 percent (37.056 percent City-paid and 4.356 percent employee-paid). These amounts are in addition to the employees' 9 percent of pay contribution to their own retirement. For all other employees, the employer's required contribution is 19.887 percent of pay (18.135 percent City-paid and 1.752 percent employee-paid—in addition to the employees' 8 percent of pay contribution to their own retirement) for FY 16-17 and 20.9 percent of pay is forecasted for FY 17-18 (18.642 percent City-paid and 2.258 percent employee-paid). The most recent CalPERS contribution rate projections for FY 20-21 are 46.51 percent for the Safety Group and 23.1 percent for the Miscellaneous Group, respectively. These figures have been included in the five year forecast, although as noted above, half of the increase is to be paid by employees under the pension cost-sharing agreement reached in 2013.

Furthermore, new State law became effective in January 2013 that changed CalPERS pensions for "new employees" that is known as PEPRA (Public Employee Pension Reform Act). Since the majority of Morgan Hill's employees are not impacted by these changes, any cost savings will be realized only over time as new employees (who are not current CalPERS members through another public agency) join the organization. Currently, 29 full-time employees (or 16 percent of the approved full-time positions) are classified as new employees for pension purposes. This is up from 21 full-time employees (or 11 percent) one year ago.

Summary

On behalf of the entire organization, I am proud to present the City's first two-year adopted operating budget and six year CIP that reflects the City Council's and community's priorities and strives to enhance service levels. The City is able to maintain its positive General Fund financial condition due to the fiscally responsible actions taken in the prior fiscal years and by continuing to adhere to its sustainable budget strategy, prudently investing in service level enhancements as resources allow, and addressing areas of financial concern. As a result of the budget adoption, the City will invest additional near term funding for maintaining its street and public facility infrastructure, enhance its public safety services, provide quality youth and senior services, continue to address its unfunded OPEB and pension obligations, and undertake many exciting and needed capital improvement projects. Moving forward, there are many signs that the Morgan Hill community will prosper. At the same time, the Council and staff will need to continue to engage our community. This community focused effort will allow us to meet our community's needs and maintain our high quality of life, so that Morgan Hill remains a highly desirable place to live, work, play, and do business.

Sincerely,

Steve Rymer
City Manager

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About the City

Prior to the arrival of Spanish expeditions en route from Mexico, peaceful tribes of Native Americans inhabited the lush Santa Clara Valley. Under Spanish and Mexican jurisdictions, instituted in 1778, a vast region that includes present day Morgan Hill was one of the most substantial Spanish land grants for nearly three quarters of a century.

In 1845 Martin Murphy, Sr. acquired 9,000 acres known as the Rancho Ojo de Aqua de la Coche. Murphy had been a leader of the first party of pioneers to cross the Sierra Nevada range at Truckee Pass, later to become the route for the Southern Pacific Railroad. The Murphy family made its home in the valley below El Toro Mountain. By 1870 Martin's seven sons and daughters had managed to acquire more than 70,000 acres.

In 1851 the youngest son, Daniel, married Maria Fisher, heiress to the neighboring 19,000 acre Rancho Laguna Seca. Diana, their precocious daughter secretly married Hiram Morgan Hill in 1882. When Daniel Murphy died, Diana inherited 4,500 acres of their original rancho in the shadow of El Toro.

Diana and Hiram Morgan Hill built their estate, the Villa Mira Monte, between the railroad and Monterey Road in 1886. When the first Southern Pacific station was built in 1898, the railroad referred to this area as Huntington. Many visitors would request the train stop at "Morgan Hill's Ranch," changing the name to Morgan Hill.

By 1896 the growing community had a population of 250 with a post office, depot, two hotels, a restaurant, and several churches and shops. There was much controversy over the incorporation of the city. The Times printed many editorials supporting the issue, while those opposed were fearful of higher taxes. But the "yes" vote won by a margin of 65-36 and Morgan Hill became incorporated November 10, 1906. By 1909 the population rose to 1,000.

The first school was built in 1894, but was soon outgrown and in 1907 architect William Weeks designed a new school. By the 1920s the City was known for its agricultural products including prunes, apricots, peaches, pears, apples, walnuts, and almonds. The region boasted prosperous vineyards until Prohibition demanded that production temporarily cease. Around the 1950s Morgan Hill experienced an economic transformation from an agricultural center to a suburban residential community. Growth began to accelerate rapidly in the 1970s as Silicon Valley developed and workers were attracted to Morgan Hill's small town atmosphere, sense of community and reasonable housing prices. On November 3, 1973 the Morgan Hill Civic Center and library were proudly dedicated to the community of 7,000. By 1980 the population increased to approximately 18,000 residents. The 2010 census confirmed that 37,882 citizens called Morgan Hill their home.

Thoughtful planning has made Morgan Hill one of the most desirable cities in Santa Clara County. People are drawn to the beautiful hillsides surrounding the valley,

About the City (continued)

the peaceful atmosphere, the quaint downtown shops and eateries and general quality of life. Parks and open spaces abound, making Morgan Hill one of the last communities in the region with a charming, small town atmosphere. The fertile soil in and around Morgan Hill help growers produce wonderful fruits, vegetables and award winning wine. Residents and visitors often spend a sunny afternoon visiting some of the local vineyards offering wine tasting and tours, enjoying one of the local golf courses, or floating above the city in a hot air balloon. The city is known for its regional, world-class recreational facilities that attract over 1.3 million visitors annually.

The Morgan Hill Unified School District (MHUSD) encompasses nearly 300 square miles and serves the ethnically diverse population of Morgan Hill, San Martin, portions of San Jose, and unincorporated areas of the county. MHUSD is comprised of 15 schools: eight elementary, two middle, two high schools, a continuation high school, a community adult school, and a K-8 Home School Program. MHUSD's multi-ethnic population includes over 8,600 students and 800 employees. The Board of Education continues to place a high priority on informing the community at large about its schools.

Just 15 miles inland from the Pacific coast, Morgan Hill is surrounded by the Santa Cruz Mountains to the west and the Diablo Range to the east. Morgan Hill is just minutes away from the big city amenities of San Jose, and a short one-hour drive to the redwood forests and beaches of Santa Cruz and to the spectacular Monterey Peninsula. The City is a short commute to the businesses of the Silicon Valley. Caltrain runs daily through the city and connects commuters to San Jose's light rail systems throughout the Bay Area.

Morgan Hill is considered a natural setting for business, providing a balanced business environment that inspires innovation and productivity. Its picturesque hillside setting and exceptional quality of life are very appealing.

Incorporated in 1906, Morgan Hill is a general law city with a council-manager form of government. The four City Council members are elected in municipal elections to four-year terms. The Mayor is directly elected to serve a two-year term. In addition to the Council, the City Clerk and City Treasurer are also elected to four-year terms. The City has a volunteer Planning Commission, made up of seven members appointed by a majority vote of the Council to four-year terms.

• CITY OF MORGAN HILL • FY 16-17 and 17-18 • OPERATING AND CIP BUDGET • CITY OF MORGAN HILL • FY 16-17 and 17-18 • OPERATING AND CIP BUDGET • CITY OF MORGAN HILL • FY 16-17 and 17-18 •

About the City (continued)

City of Morgan Hill, California

Miscellaneous Statistics - June 30, 2015

General Information	
Date of Incorporation	October 1906
Form of Government	Council/Manager
Area	12.9 square miles
Miles of Streets	149
Number of Street Lights	4,161
Taxable Sales	$712,538,500
Number of Registered voters	20,158
Median household income for Morgan Hill	$95,531
Elevation in feet	320
Building Permits Issued during year	2,105
Demographics:	
Median Age	37.5
Median Persons per household	3.0
Population (consisting of)	41,779
White	49.4%
Hispanic	33.9%
Asian	9.4%
Black	2.7%
Native American	0.1%
Other, mixed	4.1%
Fire Protection:	
Number of stations (2 City, 1 State)	3
Fire Aparatus	2
Fire Vehicles Other	3
Police Protection:	
Number of stations	1
Number of reserves	4
Number of police cars/motorcycles	24
Municipal Water Services:	
Number of Active Accounts	13,274
Average Daily Consumption (gallons)	7,693,767
Miles of Water Mains	185
Pumping Capacity (thousand gallons/day)	12,000

Source: Various Data Records

Education:	
Elementary Schools	15
Junior High and High Schools	14
Total Average Daily Attendance	8,408
Health Facilities:	
Dentists and Optometrists	39
Physicians/Surgeons	34
Chiropractors	10
Therapists	44
Medical Clinics	8
Veterinarians	4
Culture and Recreation:	
Parks	22
Acres in parks	470
Libraries	1
Theaters	1
Churches	28
Radio Stations	3
Reservoirs	11
Recreation Centers	4
Employees:	
City Council	5.00
City Manager	1.20
City Attorney	2.63
Administrative Services	18.40
Community Services	21.79
Police	58.50
Fire	
Community Development	22.67
Public Works	32.29
Internal Services	19.52
Total Employees	182.00
Sewer Services	
Peak Flow (thousand gallons/day)	5,900
Miles of sewer lines	165

Budget Overview

BUDGET TIMELINE

On behalf of my Morgan Hill teammates, it is a privilege to present you and the community the Adopted Fiscal Year 16-18 Biennial Operating Budget and FY 16-17 through FY 21-22 Capital Improvement Program Budget (CIP). This is the first year of the transition to a two year operating budget cycle and six year CIP. The biennial budget consists of two separate budgets that the Council adopted. Prior to the conclusion of the FY 16-17 annual budget, the Council will be provided an update on revenue assumptions, fund balances, and possible amendments to the FY 17-18 annual budget. A sixth year has been added to the CIP to ensure a five year spending plan is maintained.

The budget process commences in January with the City Council adopting its priorities, goals, and strategies for the organization and community. With the Council's and community's priorities in mind, each operating department proposed enhancements--otherwise known as "decision packages"--which they believed would advance the aforementioned priorities.

This process, overseen by the City Manager, was completed in April, 2016. The Fiscal Year 16-18 Biennial Operating Budget and FY 16-17 through FY 21-22 Capital Improvement Program Budget (CIP) was made available to the public on April 29, 2016 and was presented to the Council on May 4, 2016. A City Council budget workshop was held on May 20, 2016, a Public Hearing on June 1, 2016, and final adoption on June 15, 2016.

Important Dates	**Event**
January 29, 2016	City Council Goal Setting Workshop
February 3, 2016	Budget Calendar Presented to City Council at Regular Meeting
April 29, 2016	Recommended Fiscal Year 16-18 Biennial Operating Budget and FY 16-17 through FY 21-22 Capital Improvement Program Budget (CIP) made available to the public
May 4, 2016	Recommended Fiscal Year 16-18 Biennial Operating Budget and FY 16-17 through FY 21-22 CIP presented to the Council at Regular Meeting
May 20, 2016	City Council Budget Workshop
June 1, 2016	Public Hearing: Recommended Fiscal Year 16-18 Biennial Operating Budget and FY 16-17 through FY 21-22 CIP
June 15, 2016	Budget Adoption: Recommended Fiscal Year 16-18 Biennial Operating Budget and FY 16-17 through FY 21-22 CIP

Budget Overview (continued)

BUDGET APPROPRIATIONS

Appropriations are the amounts approved for expenditure by the City Council with the adoption of the annual budget and subsequent budget amendments which are brought to the Council for their approval. Appropriations are separated by object categories within an activity budget. The object categories available are: 1) Salaries; 2) Supplies and Services; 3) Capital Outlay; 4) Debt Service; 5) Internal Services; and 6) Transfers. The legal level of control is established as follows:

A Department Director has the authority to transfer between line items within an activity to facilitate the functions of the activity in accordance with the directions, goals and policies of the City Council. The City Manager is authorized to transfer appropriations within an activity to facilitate the functions of that activity in accordance with the directions, goals and policies of the City Council.

A transfer of appropriations between activities or additional appropriation requires City Council approval. New programs and new appropriations not anticipated during the budget process require City Council approval.

BUDGETARY CONTROL

Budgetary control is maintained through monthly revenue and expenditure account reports, which are reviewed by the City Manager and Department Directors. Reports are also provided to the City Council.

As necessary, a mid-year budget review and adjustment process is completed every other year in the Spring and submitted to the Council for review and approval in June. Budgetary adjustments are considered within the framework of the adopted budget and the City Council directions, goals and policies.

BUDGET AMENDMENTS

The budget as adopted by the City Council can be amended during the fiscal year. The need to amend or adjust the budget typically arises in response to unforeseen circumstances or events. For example, the Council is required to formally recognize the receipt of unanticipated revenue before the City can legally accept and spend new money. In other cases, a department may need to transfer funds to cover an unexpected shortfall in another account.

The City Manager is authorized to amend Council-approved appropriations at the activity level if, in the City Manager's opinion, such amendments are necessary and proper. The appropriation adjustment process consists of the following steps:

1. The department prepares an "Appropriation Request/Transfer Form".
2. The request is submitted to Finance Department for review.
3. The request is submitted to the City Manager for approval.
4. Once approved, the request is returned to Finance Department to make the necessary adjustments.
5. The department receives authorization to use the adjusted appropriations.

If the request involves more than one activity or fund, Council approval is required in addition to City Manager approval.

In August/September, staff also requests that the City Council "reappropriate," prior year unexpended appropriations primarily for capital projects. In addition, staff requests that the City Council take action on final budget amendments to the prior year to assure that prior year's expenditures are below prior year's Council approved budget appropriations.

BASIS OF ACCOUNTING

Government wide financial statements are reported using the accrual basis of accounting, as are the proprietary fund and fiduciary funds statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Budget Overview (continued)

Governmental funds include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds. These funds are accounted for using the modified accrual basis of accounting. Agency funds are also accounted for using the modified accrual basis. Under 'modified accrual", revenues are recognized as soon as they are both measurable and available.

BASIS OF BUDGETING

Morgan Hill uses the modified accrual basis plus encumbrances. Under 'modified accrual," amounts are recognized as revenue when earned, only so long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period. Encumbrances outstanding at year-end are reappropriated in the next year.

A balanced budget is adopted biennially, whereby current expenditures are funded from current revenues plus as appropriate and directed by Council, available fund balance or reserves.

BUDGET ADMINISTRATIVE POLICES

With the adoption of the biennial budget, the City Council recognizes that the appropriations for operating activities and capital budgets are based on estimates of municipal needs for the fiscal year. In order to establish reasonable flexibility in the administration of the budget, the following policies have been adopted. These policies are intended to provide the authority necessary for the City Manager and Department Directors to administer the budget during the fiscal year in accordance with City Council directions, goals and policies, and in light of varying conditions that may occur.

ALLOCATED COSTS

The City of Morgan Hill has nine internal service funds. These funds account for the costs of services provided to other City departments. Costs are allocated to user departments based on various factors such as square footage, personnel, number of computer workstations and historical trends.

In addition to Internal Service funds, the City of Morgan Hill allocates General Fund overhead to other funds/ departments as a General Fund Administration charge. The total administrative charge for FY 2016-17 is $1,257,416. These charges are based on services provided on the basis of General Fund departments and are allocated by estimated service levels and personnel.

DEBT OBLIGATIONS

Special assessment districts within the City have issued debt repayable by special assessments levied on property in each respective district. The City is under no legal obligation to repay the special assessment debt. However, the City is required to make advances or to be the purchaser of last resort for property on which delinquent assessments are unpaid for certain districts.

Bonds payable include sewer revenue bonds, water revenue bonds, and lease revenue bonds for the Police facility and library/development service center.

During FY 13-14, the Successor Agency of the former Redevelopment Agency sold $88.7 million in bonds to refund the outstanding 07-08 Redevelopment Agency bonds, which were sold to finance projects located in the Ojo de Agua plan area, including the City's downtown revitalization. The refunding bonds will be repaid from the County Auditor-Controller's real property tax trust fund established under AB1x26, the State legislation that abolished redevelopment.

All principal and interest payments due on bonds, certificates of participation and loans during FY 16-17 and 17-18 are included in the budget.

LEGAL DEBT LIMIT

Within the Comprehensive Annual Financial Report (CAFR), the City calculates its legal debt limit (the maximum amount of debt the City can issue) and compares it to the debt outstanding at the end of the year to produce the legal debt margin (the amount of debt the City can issue in future years). Currently, the City has no out-

Budget Overview (continued)

standing legal debt, and is within its legal debt margin of $1,032,954,000 as reported in the FY 14-15 CAFR.

Planning Documents

General Plan

The General Plan is a comprehensive, long-term plan for the physical development of the community. It represents the City's determination of the amount, type and timing of development needed to achieve the City's social, economic and environmental goals. The General Plan is updated approximately every 10 years with the participation of all City departments, service agencies and the community at large. The City Council adopted a major update to the City's General Plan on July 25, 2001 and is currently working on its update.

The General Plan can be accessed on-line at: http://www.morgan-hill.ca.gov/index.asp?NID=75

Downtown Plan

The General Plan adopted in 2001 required the original Downtown Plan to be updated and included a number of policies to achieve specific parking, circulation and land use objectives. In January 2005, the City Council approved an updated Downtown Plan. The updated Downtown Plan replaced the previous Downtown plan adopted in 1980. The Downtown Plan was created by a Council appointed task force working with the community and a consultant firm. The plan specifies goals and objectives for the Downtown but also includes full design guidelines and sign criteria. In November 2009, the City Council adopted the Downtown Specific Plan. The Specific Plan is intended to provide a reality-based strategy to achieving the vision contained in the Downtown Plan.

The Downtown Specific Plan can be accessed at: http://www.morganhill.ca.gov/668/Downton-Specific-Plan

2016 City Council Priorities

- Enhancing public safety
- Protecting the environment
- Maintaining fiscal responsibility
- Supporting youth
- Fostering a positive organizational culture
- Preserving and cultivating public trust

In addition to the City Council's priorities, five specific Focus Areas were recognized by the Council that will require significant resources.

- Planning our community
- Developing our community
- Enhancing our services
- Improving our communication
- Participating in regional initiatives

The City Council's Priorities, Goals, and Strategies can be found in the Special Analysis section of the budget book.

Annual Work Plan

The Annual Work Plan is a compilation of the short-term (fiscal year) objectives established for each City department. The Work Plan items are intended to support the annual goals of the City Council as well as the long-term goals and objectives for the City as described in the various planning documents.

Fiscal Policies

1. REVENUE

A. The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of economic fluctuations on revenue generation.

B. The City will estimate revenues using an objective, analytical process; in the case of uncertainty, conservative projections will be utilized.

C. The City will fund all current expenditures from current revenues and available fund balance, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.

D. Development process costs and related administrative expenses will be offset by development fees.

E. The City will identify basic tax-provided services and will establish user fees and charges for services provided in excess of basic services.

F. City staff will provide monthly reports to the City Council which compare and analyze year-to-date actual revenues and expenditures to budget.

2. RESERVES & DESIGNATIONS

Purpose

A. The City of Morgan Hill commits to target the minimum level necessary to maintain the City's credit worthiness and to adequately provide for economic uncertainties, local disasters or catastrophes, future debt or capital obligations, cash flow requirements and legal requirements.

B. The City shall maintain unappropriated fund balance or working capital in the General Fund, Water and Sewer operating funds, Water and Sewer rate stabilization funds, Community Development Fund, and certain internal service funds.

Policy

A. General Fund – As adopted at the City Council Policies & Goal Setting retreat on February 2004 and modified on October 7, 2009:

   a. General Fund Reserves may be used to support General Fund expenditures as long as:

   b. Reserve levels are not depleted below a long-term goal of 25% of revenues in any year with the following exception:

      i. reserves may be used during periods of financial and economic distress, and

      ii. reserves shall never be depleted below a minimum level of 15% of revenues which shall be maintained as an ongoing reserve for emergencies.

   c. If reserves do – or are projected to – fall below the 15% minimum level at any time, then policy action must be taken within 30 days of such event or projection to rebuild actual or projected reserves back up to the 15% minimum level within the subsequent 12 months.

   d. Similarly, if reserves do – or are projected to – fall below the long-term goal of 25% at any time, then policy action must be taken no later than the next annual budget such that structural budget balance is projected to be regained within three years of the 25% floor being pierced. Once structural budget balance is regained, steady progress toward the 25% long-term goal for reserves must continue.

e. At other times, i.e., when reserves are 25% or greater and projected to remain so, achieving structural balance may be postponed to the last year of the five-year financial forecast.

f. Spending cuts prompted by the need to achieve structural budget balance and/or rebuild General Fund reserves will consist of service-level reductions, mitigated as much as possible by changes to employee work schedules. Service-level reductions almost certainly will require layoffs and/or renegotiation of current labor costs.

g. With its bargaining units the City will normally enter into new labor contracts of no more than 12 months' duration, unless General Fund reserves are back up to the long term goal of 25%, and projected to remain there for the subsequent five years.

h. To reduce the rate of increase in labor costs, the City will engage in good-faith negotiations with bargaining units to make cost-saving changes in retirement plans and to reduce the City-paid share of health benefits.

B. Water and Sewer Operating Funds – The City shall make every effort to keep a minimum reserve level of 25% of the appropriated operating budget for the Sewer operating fund and the Water operating fund.

C. Water and Sewer Rate Stabilization Funds – The City shall make every effort to keep a minimum reserve level equal to 20% of the annual estimated utility usage revenue accounted for in the Sewer operating budget and 20% of the annual estimated utility usage revenue accounted for in the Water operating budget.

D. Water and Sewer System Replacement Funds—The January 2016 Rate Study approved by the City Council establishes Capital System Replacement Reserve target of a minimum of 3% of net depreciable capital assets, which equates to a 33-year replacement cycle for capital assets. This target serves as a starting point for addressing long-term capital system needs.

E. Community Development Fund – The City shall make every effort to keep a minimum reserve level of 30% of the appropriated operating budget for the Community Development Fund, in order to provide for those temporary periods when less development activity occurs and less revenue is collected by the City.

F. Unemployment – The City shall make every effort to maintain a minimum reserve level in the Unemployment Fund equal to 100% of the appropriation for unemployment claims.

G. Workers' Compensation – The City shall make every effort to maintain a minimum reserve level for Workers' Compensation equal to the sum of twice the self insured amount for a single claim.

H. General Liability – The City shall make every effort to maintain a minimum reserve level equal four times the self insured retention for general liability claims.

Budgetary Designations

A. A portion of General Fund Balance will be designated for economic uncertainties and not be reflected in available fund balance for budget purposes. This is to avoid the need for service level reductions in the event an economic downturn causes revenues to come in lower than budget.

B. Reserves for Encumbrances and Continuing Appropriations are established at the end of every

Fiscal Policies (continued)

fiscal year to reserve fund balance in the amount equal to the City's unpaid obligations and unfinished projects at year-end.

C. Other reserves, such as for cash flow needs or anticipated costs for service enhancements, will be established each fiscal year as needed.

3. CASH MANAGEMENT

A. City investments and cash management will be the responsibility of the City Treasurer.

B. In accordance with Section 53646 of the Government Code, the City Council will review and update annually, a specific investment policy. The primary purpose of this policy is to set forth the City's investment philosophy and objectives. The City's investment objectives are, in order of priority: 1) safety, 2) liquidity, and 3) yield. The policy also specifically outlines authorized investments, the acceptable percentages and maximum maturities allowed for each investment instrument and the criteria used to determine qualified depositories/ dealers.

C. The City invests all idle cash as determined by analysis of anticipated cash flow needs. Specific emphasis will be placed on future cash requirements when selecting maturity dates to avoid forced liquidations and the potential corresponding loss of investment earnings.

D. In order to maximize yields from the overall portfolio, the City will consolidate cash balances from all funds for investment purposes, and will allocate investment earnings to each fund in accordance with generally accepted accounting principles.

E. The City Treasurer will generate a monthly report to the City Council in conformance with all State laws and City investment policy requirements.

F. The City's independent auditors, in conjunction with their annual audit, will audit the cash and investment balances in conformance with generally accepted accounting principles.

4. OPERATING BUDGET

A. The City of Morgan Hill's Operating Budget will be developed on a biennial basis. Appropriations for each year will be approved by the City Council.

B. The City will avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets.

C. The City shall define a "balanced budget" as a budget where ongoing funding sources are sufficient to support ongoing funding uses. A budget may temporarily use fund balance to offset a temporary reduction in funding sources, however, fund balance shall not be used to fund ongoing expenses without a sustainable budget adjustment.

D. The legal level of control is established as follows:

   a. The Department Director has the authority to transfer between line items within an activity to facilitate the functions of the activity in accordance with the directions, goals and policies of the City Council.

   b. The City Manager is authorized to transfer appropriations within an activity budget to facilitate the functions of that activity in accordance with the directions, goals and policies of the City Council.

   c. A transfer of appropriations between activities, additional appropriations, new programs or new appropriations requires the authorization of the City Council.

E. Mid-cycle budget adjustment reports will be presented to Council in June of every other fiscal year, if necessary.

Fiscal Policies (continued)

5. PRINCIPLES TO GUIDE THE SUSTAINABLE BUDGET STRATEGY

The City Council has adopted the following principles to guide the Sustainable Budget Strategy:

A. Critical services should be maintained to the greatest extent possible.

B. Resources should be allocated to the highest priority services.

C. No city services or functions should be exempt from evaluation.

D. "Across the Board" approaches shall be avoided because they are not aligned with the Council's and community's priorities.

E. Reductions in service should position the City to take advantage of economic recovery.

F. Budget cuts should be ongoing and not simply "one time only."

G. Council should commit to support employees during the transition, and assist those who may be adversely impacted.

H. Employees and their recognized bargaining units should be actively involved in developing options and implementing the transition.

I. The City should continue to invest in building organizational capacity by supporting training and employee development.

J. Community wide tax resources should be allocated first to support community wide services.

K. Special services designed for only a few should be paid for by user charges and fees.

L. Administrative and operational efficiencies should be maximized before pursuing new tax revenue.

M. Reserves and one time revenues should be used first to invest in capital outlay items that could reduce long range operating costs and, thereafter, fund transition expenses.

N. New services should not be added nor existing services expanded unless they are highly valued by the community and there is a willingness to pay for them.

O. There should be regular monitoring of financial performance and opportunities to make mid-course corrections as warranted.

P. City policies that may inhibit economic development, especially new retail development, should be reviewed regularly and modified.

6. CAPITAL FINANCING AND DEBT MANAGEMENT

A) Capital Financing

1. The City will consider the use of debt financing only for one-time capital improvement projects and only under the following circumstances:

   a. When the project's useful life will exceed the term of the financing.

   b. When project revenues or specific resources will be sufficient to service the long-term debt.

2. Debt financing will not be considered appropriate for any recurring purpose such as recurring operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax, or bond anticipation notes is excluded from this limitation because such borrowings would be issued for a short period of time in anticipation of a scheduled revenue stream that would repay the notes.

Fiscal Policies (continued)

3. Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility. Accordingly, development impact fees should be created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities.

4. Development impact fees and residential development control system fees are major funding sources in financing City improvements. However, revenues from these fees are subject to significant fluctuation based upon the rate of new development. Accordingly, the following guidelines will be followed in designing and building projects funded with development impact fees or Measure C fees:

    a. The availability of fees in funding a specific project will be analyzed on a case-by-case basis as plans and specifications or contract awards are submitted for City Manager or City Council approval.

    b. If adequate funds are not available at that time, the City Council will make one of two determinations:

        1) Defer the project until funds are available.

        2) Based on the high-priority of the project, advance funds from other available City Funds. Repayment of advances and related interest will be the first use of development impact and Measure C funds when they become available.

5. The City should consider internal borrowing prior to issuing bonds if feasible.

    a. The funds borrowed must not be needed for their intended purposes during the period in which the loan will be outstanding, as certified by City staff.

    b. Loans will accrue interest at the rate earned by the City on Local Agency Investment Fund (LAIF) investments.

    c. The cost effectiveness of internal financing compared to external financing opportunities must be analyzed. In general, smaller financings are good candidates for internal financings because costs of issuance would be relatively high on smaller financings, while larger financings are better candidates for external financing.

    d. In no case shall internal borrowing be contrary to established City reserve policies.

6. The City will use the following criteria to evaluate pay-as-you-go versus long-term financing in funding capital improvements"

    Factors Favoring Pay-As-You-Go Financing

    a. Current revenues and adequate fund balances are available or project phasing can be accomplished.

    b. Existing debt levels adversely affect the City's credit rating.

    c. Market conditions are unstable or present difficulties in marketing.

    Factors Favoring Long-Term Financing

    a. Revenues available for debt service are deemed sufficient and reliable so that long-

term financings can be marketed with investment grade ratings.

b. The project securing the financing is of the type which will support an investment grade rating.

c. Market conditions present favorable interest rates and demand for City financings.

d. A project is mandated by state or federal requirements, and resources are insufficient or unavailable.

e. The project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable.

f. The life of the project or asset to be financed is 10 years or longer

B) Debt Management

1. The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.

2. An initial feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations.

3. This analysis will also address the reliability of revenues to support debt service.

4. The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility, size of the financing, introduction of new credit structures to the market, or appropriate use of an unusual or complex financing or security structure.

5. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability, and cost-effectiveness.

6. The City will monitor all forms of debt annually when the City Budget is prepared and will report any concerns and remedies to the City Council.

7. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.

8. The City will maintain good, ongoing communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure of appropriate and material information on every financial report and bond prospectus (Official Statement).

C) Debt Structure

In general, debt should be structured with fixed interest rates. However, for financings of more than $30 million (principal only) variable rate bonds and swaps should be considered if the City's financial advisor provides guidance that such debt vehicles would be safe and cost effective for the City.

D) Debt Capacity

1. ***General Purpose Debt Capacity***. The City will carefully monitor its levels of general-purpose debt. Because the City's general purpose debt capacity is limited, it is important that it use only general purpose debt financing for high-priority projects where the City cannot

reasonably use other financing methods for two key reasons:

a. Funds borrowed for a project today are not available to fund other projects tomorrow.

b. Funds committed for debt repayment today are not available to fund operations in the future.

In evaluating debt capacity, General Fund annual debt service payments should generally not exceed 5% of the General Fund currently budgeted revenues, excluding transfers in. Staff shall report on the current percentage of annual debt service payments compared to revenues within the General Fund in each monthly City Finance and Investment Report.

2. ***Enterprise Fund Debt Capacity***. The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations,, maintenance, administration, and capital improvement costs. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's periodic rate review and setting process.

E) Independent Disclosure Counsel

The City should retain the services of an independent disclosure counsel in conjunction with specific project financings when the City's financial advisor, bond counsel, or underwriter recommends that the City retain an independent disclosure counsel based upon the circumstances of the financing. In general, the City should hire independent disclosure to prepare the bond prospectus (Official Statement) so that all material information is disclosed to investors.

F) Independent Financial Advisor

The City should hire a financial advisor for all external financings in excess of $500,000. The Financial Advisor will provide guidance regarding the structuring of the financing, and coordinate the sale of the bonds so that the City will pay the lowest true interest cost.

G) Land-Based Financings

1. ***Public Purpose***. There will be a clearly articulated public purpose in forming an assessment or special tax district in financing public infrastructure improvements (excluding Redevelopment Agency). If this public purpose relates to economic development in the City, then this financing should be discussed by the Community and Economic Development Committee and a recommendation concerning this purpose should be made to the City Council. In addition, the City Council should make a finding as to why this form of financing is preferred over other funding options such as reimbursement agreements, or direct developer responsibility for the improvements.

2. ***Active Role***. Even though land based financings may be a limited obligation of the City, the City will play an active role in managing the district. This means that the City will select and retain the financing team, including the financial advisor, bond counsel, trustee, appraiser, disclosure counsel, assessment engineer, and underwriter, if applicable. Any costs incurred by the City in retaining these services or for staff time will generally be the responsibility of the property owners or developer and will be advanced via a deposit when an application is filed. Alternatively, these costs may be paid on a contingency fee basis from the bond proceeds.

Fiscal Policies (continued)

3. ***Credit Quality***. When a developer requests a district, the City will carefully evaluate the applicant's financial plan and ability to carry the project, including the payment of assessments and special taxes during build-out. This may include detailed background, credit, and lender checks, as well as the preparation of independent appraisal reports and market absorption studies. Any costs incurred by the City in retaining these services or for staff time will generally be the responsibility of the property owners or developer and will be advanced via a deposit when an application is filed. Alternatively, these costs may be paid on a contingency fee basis from the bond proceeds. For districts where one property owner accounts for more than 25% of the annual debt serviced obligation, a letter of credit further securing the financing may be required.

4. ***Reserve Fund***. A reserve fund should be established in the lesser amount of: the maximum annual debt service; 125% of the annual average debt service; or 10% of the original bond principal (industry standard).

5. ***Value-to-Debt Ratios***. The minimum value-to-debt ratio shall be at least 3 to 1. This means that the value of the property in the district, with the public improvements, should be at least three times the amount of the assessment or special tax debt.

6. ***Capitalized Interest During Construction***. Decisions to capitalize interest will be made on a case-by-case basis, with the intent that if allowed, it should improve the credit quality of the bonds and reduce borrowing costs, benefiting both current and future property owners.

7. ***Maximum Burden***. Annual assessments (or special taxes in the case of Mello-Roos or similar districts) should generally not exceed 1% of the projected sales price of the fully developed property.

8. ***Benefit Apportionment***. Assessments and special taxes will be apportioned according to a formula that is clear, understandable, equitable, and reasonably related to the benefit received by, or burden attributed to, each parcel with respect to its financed improvement. Any annual escalation factor should not exceed the greater of 2% or the projected change in the consumer price index.

9. ***Special Tax District Administration***. In the case of Mello Roos or similar special tax districts, the total maximum annual tax should not exceed 110% of annual debt service. The rate and method of apportionment should include a back-up tax in the event of significant changes from the initial development plan, and should include procedures for prepayments.

10. ***Foreclosure covenants***. In managing administrative costs, the City will establish maximum delinquency amounts per owner, and for the district as a whole, before initiating foreclosure proceedings.

11. ***Disclosure to Bondholders***. In general, each property owner who accounts for more than 10% of the annual debt service or bonded indebtedness should provide ongoing disclosure information annually as described under SEC Rule 15 (c) 2-12.

12. ***Disclosure to Prospective Purchasers***. Full disclosure about outstanding balances and annual payments should be made by a property seller to prospective buyers at the time that

Fiscal Policies (continued)

buyers bid on the property.

H) Conduit Financings

1. The City will consider requests for conduit financing on a case-by-case basis using the following criteria:

   a. The City's bond counsel will review the terms of the financing and render an opinion that there will be no liability to the City in issuing the bonds on behalf of the applicant.

   b. There is a clearly articulated public purpose in providing the conduit financing.

   c. The applicant is capable of achieving this public purpose.

2. The review of requests for conduit financing will be a two-step process:

   a. First asking the Council if they are interested in considering the request and establishing the ground rules for evaluating it; and

   b. Then returning with the results of this evaluation, and recommending approval of appropriate financing documents if warranted.

This two-step approach ensures that the issues are clear for both the City and applicant, and that key policy questions are answered.

3. The work scope necessary to address these issues will vary from request to request and will have to be determined on a case-by-case basis. Additionally, the City should generally be fully reimbursed for our costs in evaluating the request. However, this should also be determined on a case-by-case basis.

I) Successor Agency Refinancing of Redevelopment Bonds

1. The City acting as the Successor Agency shall refinance Redevelopment Agency Tax Allocation Bonds within the constraints of AB1x26, the legislation that abolished redevelopment and only with approval from the Oversight Board.

2. When refinancing Tax Allocation Bonds, the Successor Agency shall use a financial advisor, bond counsel, disclosure counsel, underwriter (for a negotiated sale), and other consultants who are experts in the issuance of redevelopment financing instruments.

3. Tax Allocation Refinancing Bonds shall be issued in a manner that is consistent with AB1x26.

4. Debt Management and Debt Structure for Tax Allocation Refinancing Bonds shall be consistent with the requirements described in sections B and C above.

J) Investment Policy

The City of Morgan Hill Statement of Investment Policy is available at:

http://www.morgan-hill.ca.gov/DocumentCenter/Home/View/6069

Description of Funds

GENERAL FUND

The General Fund is a governmental fund used to account for the day-to-day operations of the City. All financial activity that is not required to be accounted for in another fund is included in the General Fund. Public safety, government administration, recreation, downtown maintenance, street maintenance, environmental programs and park maintenance are funded from the General Fund.

General Fund (010)

The General Fund receives all general taxes, such as property taxes, sales taxes and transient occupancy taxes, licenses and permit revenues, funding from other government agencies such as vehicle-in-lieu fees, fines and penalties, interest, rentals not specifically designated for another fund, and charges for current services.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes.

Street Fund (202)

The Street Fund is a special revenue fund used to account for the receipt and disbursement of State and Federal gas tax, and other monies that are to be used for the maintenance, repair, and design of streets. State gas tax funds are distributed to cities based on population from gas taxes collected at the point of sale. The use of gas tax funds is restricted to street expenditures by State and Federal legislation.

Supplemental Law Enforcement Funds (205)

The Supplemental Law Enforcement Fund is a special revenue fund used to account for the receipt and disbursement of State and Federal grant monies that provide for the restoration of public safety services. The use of grant monies in this fund is legally restricted for the funding of public safety officers and/or supplies under the terms of the grants.

Community Development Fund (206)

The Community Development Fund is a special revenue fund used to account for the collection of planning, building, and engineering fees. The expenditures of these funds are restricted to the costs associated with processing building, engineering and planning applications.

General Plan Update Fund (207)

The General Plan Update Fund is a special revenue fund established to account for the costs of updating the General Plan. The update has been funded by a 5% surcharge on all planning and building permit fees and by transfers from various funds: General, Park Development Impact, Community Development, Redevelopment, Housing, Sewer, and Water. The expenditures are restricted to costs incurred for the General Plan update.

CDBG/CDBG Revolving Loan Funds (215)

The Community Development Block Grant (CDBG) and CDBG Revolving Loan Funds are special revenue funds used to account for Federal low and moderate income housing program funds. These funds are restricted to low and moderate income housing uses.

Lighting and Landscape District (229)

The Lighting and Landscape District Fund is a special revenue fund which derives monies from special property assessments to support City maintenance services in park and landscape areas within residential developments that were originally included in the District.

Community Facilities District (230)

Community Facilities District Fund is a special revenue fund, which derives monies from a special tax to support the maintenance and evaluation of the re-vegetated area along Fisher Creek.

Description of Funds (continued)

Environmental Programs Fund (232)
The Environmental Programs Fund is a special revenue fund that is used to account for Burrowing Owl and Stormwater Pollution & Prevention activities.

City of Morgan Hill Acting as the Successor Agency to the Morgan Hill Redevelopment Agency (250)
With the abolition of redevelopment on February 1, 2012 under AB1x26, the City was required to close out the old Redevelopment Agency Funds (317 and 327, as described below) on January 31 and establish this new one on behalf of what the State Legislature called the "Successor Agency," which is the City itself acting as successor to the former Redevelopment Agency. This fund, described in AB1x26 as the Redevelopment Obligation Retirement Fund, will receive from the County Auditor-Controller property tax related to former redevelopment in amounts to pay enforceable obligations listed in the Recognized Obligation Payment Schedule (ROPS), approved by the Oversight Board that was appointed to oversee the wind-down of redevelopment in Morgan Hill and Department of Finance. In turn, this fund will record the expenditures required to discharge the enforceable obligations.

Successor Housing Agency (255)
This fund accounts for the successor agency's housing assets and activities in a manner parallel to Fund 250 described immediately above, with the exception that the City Council, rather than the Oversight Board, governs the fiscal actions of this fund. Furthermore, this fund is projected to receive significant program income (rents, loan repayments, State grants, etc.) not likely to flow to Fund 250.

Other Special Revenue Funds
There are seven other small special revenue funds. The balances in these funds are restricted by law and/or ordinance. The funds include:

- Asset Seizure Fund (225)
- Mobile Home Park Rent Stabilization Fund (234)
- Senior Housing Trust Fund (235)
- Housing Fee Fund (236)
- Employee Assistance Fund (240)
- Environmental Remediation Fund (247)

The Senior Housing Trust Fund was established to account for the funds that were set aside to fund programs for elderly persons over the age of 55, while the Housing Fee Fund was established to provide for housing related programs and projects.

CAPITAL PROJECTS FUNDS
The Capital Projects Funds are used to account for the financial resources to be used for acquisition and/or construction and/or maintenance of capital facilities. The funds are restricted by State law and/or City ordinance for specific uses. AB1600 (Government Code Sect. 66000-66003) restricts the collection and use of certain development impact fees. AB1600 indicates that there must be a reasonable relationship between the fee and the purpose for which it was charged. The following funds are the Capital Projects Funds:

Park Development Fund (301)
Park Development Impact Fund revenues are received from developers of properties. The funds may only be used for the design, development and construction of new parks within the City. Fund is subject to the restrictions of AB1600.

Park Maintenance Fund (302)
Park Maintenance/Development Fund receives revenues from developers of properties and the funds may only be used for the maintenance and development of the City's parks.

Drainage Impact Fund (303)
Local Drainage Impact Fund revenues are received from developers of properties and the funds may only be used for the design and construction of new storm drains. Fund is subject to the restrictions of AB1600.

Description of Funds (continued)

Drainage Non AB1600 Fund (304)
Local Drainage Fund revenues are received from developers of properties and the funds may be used for the design, construction, and maintenance of storm drains.

Agriculture and Open Space Preservation Fund (306)
This fund accounts for open space fees collected from developers. These funds are to be expensed for agriculture and open space preservation expenditures.

Street CIP (308)
This fund was established effective July 1, 2007. The fund accounts for resources and requirements for capital projects that support the City of Morgan Hills streets and roads. The fund has been separated from Street Operations, fund 202.The funds allocated, which are normally transfers from other revenue funds such as the Traffic Impact Fund 309, and grant reimbursements, may be expended on new streets, traffic signals, and improvements of existing streets.

Traffic Impact Fund (309)
Traffic Impact Fund revenues are received from developers if their projects have an adverse impact on traffic flows, streets, etc. The funds collected may be expended on new streets, traffic signals, and improvements of existing streets where they are impacted by new development. Fund is subject to the restrictions of AB1600.

Police Impact Fund (311)
Police Impact Fund revenues are derived from a fee charged to developers to cover the costs to construct public improvements for Police facilities needed as a result of new development. Expenditures may only be made for the future construction of the required new Police facilities or to reimburse the City for funds advanced to construct such facilities. Fund is subject to the restrictions of AB1600.

Fire Impact Fund (313)
Fire Impact Fund revenues are derived from a fee charged to developers to cover the costs to construct public improvements required for Fire facilities as a result of new development. Expenditures may only be made for the future construction of the required new Fire facilities or to reimburse the City for sums advanced to construct such facilities. Fund is subject to the restrictions of AB1600.

Public Facilities Non AB1600 Fund (346)
Public Facilities Fund revenues are received from developers of properties and the funds may be used for the design, construction, and maintenance of public facilities or to reimburse the City for funds advanced to construct such facilities.

Public Facilities Impact Fund (347)
Public Facilities Impact Fund revenues are derived from fees charged to developers to cover the costs to construct public improvements required as a result of new development. Expenditures may only be made for the future construction of the required new facilities or to reimburse the City for funds advanced to construct such facilities. Fund is subject to the restrictions of AB1600.

Library Impact Fund (348)
Library Impact Fund revenues are derived from a fee charged to developers to cover the costs to construct library improvements required as a result of new development. Expenditures may only be made for the future construction of the required new library facilities or to reimburse the City for funds advanced to construct such facilities. Fund is subject to the restrictions of AB1600.

Undergrounding Fund (350)
Undergrounding Fund receives revenues from developers for the undergrounding of utilities in areas of new development. Expenditures may be made from these

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Description of Funds (continued)

funds only for the design and construction associated with such undergrounding.

School Pedestrian and Traffic Safety Fund (355)
This fund accounts for the revenues and expenditures related to the collection and use of development fees for pedestrian and traffic safety capital improvements at or near schools.

Community Recreation Centers Impact Fund (360)
This fund was set up to collect revenues derived from a fee charged to developers to cover the costs to construct new community centers within Morgan Hill. Fund is subject to the restrictions of AB1600.

DEBT SERVICE FUNDS
Debt Service Funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

Civic Center Debt Service (420)
A fund to track transactions of the 2006 bonds issued to build the Public Library, and make improvements to City Hall Campus.

Police Facility Bond Debt Service (441)
A fund to track transactions of the 2004 bonds issued to build the Police Station.

ENTERPRISE FUNDS
Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Sewer Operations Fund (640)
The Sewer Operations Fund receives revenues from user charges based on sewer usage. All expenditures for the operation of the sewer system including maintenance and debt service are charged to the Sewer Operations Fund.

Sewer Impact Fund (641)
The Sewer Impact Fund receives revenues from developer charges to cover the costs to construct sewer improvements required as a result of new development. Expenditures may only be made for the construction of the required improvements or to reimburse the City for funds advanced to construct such improvements. Fund is subject to the restrictions of AB1600.

Sewer Rate Stabilization Fund (642)
The Sewer Rate Stabilization Fund was established to avoid fluctuations in the sewer rates charged.

Sewer System Replacement Fund (643)
This fund was established to avoid fluctuations in the sewer rates charged by providing reserve funding for future system replacements. Future funding will come from transfers from the Operations Fund when available with a minimum reserve target of 3% of net depreciable capital assets.

Water Operations Fund (650)
The Operations Fund receives revenues from user charges based on water usage. All expenditures for the operation of the water system including maintenance and debt service are charged to the Water Operations Fund.

Water Impact Fund (651)
The Impact Fund receives revenues from developer charges to cover the costs to construct water improvements required as a result of the new development. Expenditures may only be made for the construction of the required improvements or to reimburse the City for funds advanced to construct such improvements. Fund is subject to the restrictions of AB1600.

Water Rate Stabilization Fund (652)
The Rate Stabilization Fund was established to avoid fluctuations in the water rates charged.

Description of Funds (continued)

Water System Replacement Fund (653)
This fund was renamed and combined with the Water Capital Projects Fund. This fund was established to avoid fluctuations in sewer rates by providing reserve funding for future system replacements. Future contributions will come from transfers from the Operations Fund when available with a minimum reserve target of 3% of net depreciable capital assets..

INTERNAL SERVICE FUNDS
Internal Service Funds account for the financing of goods and/or services provided by one department to other departments within the City and the Redevelopment Agency. The Internal Service Fund accumulates all the costs related to the service provided and then the costs are charged to the department receiving the goods and/or services based on the quantity of service received.

The City maintains the following Internal Service Funds:

- Information Systems Fund (730)
- Building Maintenance Fund (740)
- Building Replacement Fund (741)
- Project Implementation (745)
- Unemployment Insurance Fund (760)
- Workers' Compensation Fund (770)
- Equipment Replacement Fund (790)
- Employee Benefits Fund (791)
- General Liability Insurance Fund (795)

AGENCY FUNDS
Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City maintains the following Agency Funds:

- Special Deposits (820)
- Downtown PBID (830)
- MH Business Ranch 98 AD (843)
- MH Ranch Reassessment 2004 (844)
- Madrone Bus. Park - Exempt (845)
- Madrone Bus. Park - Taxable (846)
- Tennant Ave Business Park (848)
- Police Donation Trust (881)

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Glossary of Budget & Financial Terms

AB 1234

This law requires that all local agencies that provide compensation, salary, or stipend to, or reimburses the expenses of, members of a legislative body must provide ethics training to local agency officials every two years.

AB 1600

This law codifies the legal requirement that fees on new development have the proper nexus to any project on which they are imposed. The fees must be segregated from the general fund and from other funds or accounts containing fees collected for other impacts or departments.

ABAG

Association of Bay Area Governments - one of more than 560 regional planning agencies across the nation working to help solve problems in areas such as land use, housing, environmental quality, and economic development.

AC

Aquatics Center - features of the Aquatics Center include a 5,316 square foot recreation activity pool with interactive play structure and slide; 800 square foot interactive spray-ground; six lane instructional pool; 50-meter competition pool; two event rooms; locker rooms; two family changing rooms; shaded lawn and deck area.

Accounting System

The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

Accrual Accounting

Revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows.

AFSCME

American Federation of State, County and Municipal Employees

Appropriation

An authorization made by the City Council which permits officials to incur obligations against and to make expenditures of governmental resources for a specific purpose within the budget year, July 1 through June 30.

Assessed Valuation

The estimated value placed upon real and personal property by the County Assessor as the basis for levying property taxes.

Glossary (continued)

Assets

Property owned by the City which has monetary value.

Audit

A systematic examination of the City's financial records and processes which concludes in a written financial report. It includes test of management's internal accounting controls and is intended to:

1. ascertain whether financial statements fairly present financial positions and results of operations;
2. test whether transactions have been legally performed; and,
3. identify areas for possible improvements in accounting practices and procedures

Balance Sheet

A statement which presents the financial position of an entity by disclosing its assets, liabilities, and fund equities as of a specific date.

BMR

Below Market Rate

Bond Debt (Debt Instrument)

A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

Budget (Operating)

A plan of financial operation listing an estimate of proposed expenditures (appropriations) for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates).

Budgetary Basis of Accounting

Morgan Hill budgets using the modified accrual basis plus encumbrances.

1. Under 'modified accrual" amounts are recognized as revenue when earned, only so long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period.
2. Encumbrances outstanding at year-end are reappropriated in the next year and reported as reservations of fund balance.

Budget Calendar

The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

Glossary (continued)

Budget Message

A discussion of the proposed budget presented by the City Manager in writing as a part of, or supplement to, the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made.

CAFR

Comprehensive Annual financial Report - A financial report on assets, liabilities, revenues and expenditures in a standardized format that must conform to the Government Accounting Standards Board (GASB) accounting and financial reporting standards. This financial report is called the Comprehensive Annual Financial Report (CAFR, pronounced "kafer"). The CAFR describes what actually was spent and the status of assets and liabilities at the end of the fiscal year.

CAL FIRE

The City of Morgan Hill contracts with the California Department of Forestry and Fire Protection (CAL FIRE) to provide the following services:

- Emergency Medical Services
- Fire Prevention
- Fire Suppression

CalPERS

California Public Employees Retirement System provides retirement, health, and related financial programs and benefits to 1.5 million public employees, retirees, and their families and more than 2,500 public employers.

Capital Asset

Assets of significant value and having a useful life of more than one year. Capital assets are also called fixed assets.

Capital Budget

A plan of proposed capital expenditures and the means of financing them.

Capital Outlay

Expenditures exceeding $3,000 for the acquisition of capital assets. Includes the cost of land, buildings, permanent improvements, machinery, large tools and rolling and stationary equipment.

Capital Project Fund

Used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Internal Service Funds).

Glossary (continued)

Capital Projects

Projects for purchase or construction of capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

CCC

Community and Cultural Center - the campus includes the Community Playhouse, Gavilan College, the Outdoor Amphitheater, the main Community and Cultural Center building.

CDBG

Community Development Block Grant - the CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at the US Department of Housing and Urban Development (HUD). The CDBG program provides annual grants on a formula basis to 1180 general units of local government and States.

Certificate of Deposit

A negotiable or non-negotiable receipt for monies deposited in a bank or financial institution for a specified period at a specified rate of interest.

CIP

Capital Improvement Plan or Program - a five-year plan for expenditures setting forth each capital project, the amount to be expended in each year, and the method of financing those expenditures. Expenditures may include the design, construction, or purchase of land, buildings, or facilities.

CIP Engineering

All work involved in preparation of construction plans, contractual documents and construction administration for the design and upgrade of various infrastructures for projects identified in the 5-year Capital Improvement Program.

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

COP

Certificate of Participation - provides long-term financing through a lease or installment sale agreement that does not constitute indebtedness under the state constitutional debt limit and does not require voter approval.

CRC

Centennial Recreation Center - the 52,000 square foot Centennial Recreation Center features a gymnasium, fitness center, indoor pool with water play features, teen and senior wing, multi-purpose room, and computer lab.

Glossary (continued)

CSOA

Community Service Officers Association

Debt Service

Payment of interest, and repayment of principal to holders of the City's debt instruments.

Debt Service Fund

Used to account for the accumulation of resources for, and payment of, general long-term debt.

Deficit

1. the excess of an entity's liabilities over its assets (see Fund Balance); or
2. the excess of expenditures or expenses over revenues during an accounting period

Encumbrance

Obligations in the form of purchase orders or contract commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances are eliminated when paid or when a liability is recorded. Carryforward encumbrances are obligations and appropriations which are transferred to the subsequent fiscal year.

Enterprise Fund

Fund used to account for government operations that are financed and operated in a manner similar to business enterprises. These programs are entirely or predominantly self-supporting. Examples of Enterprise Funds are those used for sewer and water systems.

EOC

Emergency Operations Center

EOP

Emergency Operations Plan

EPA NPDES

Environmental Protection Agency National Pollutant Discharge Elimination System (NPDES) Permitting Program - industrial, municipal, and other facilities must obtain permits if their discharges go directly to surface waters

Expenditures

The payment against an appropriation for goods received or services rendered.

Glossary (continued)

Fiscal Year

The twelve-month period beginning July 1st and ending the following June 30th.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance

Remaining balance available following the reduction for resources not available for spending or "legal restrictions" (reservation) and intended future use of resources (designation).

GAAP

Generally Accepted Accounting Principles - the standard framework of guidelines for financial accounting. It includes the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.

General Fund

The fund supported by taxes, fees, and other revenues that may be used for any lawful purpose. The general fund accounts for all financial resources except those required to be accounted for in another fund. This fund accounts for the general operating programs of the City.

General Obligation Bond

When the City pledges its full faith and credit to repayment of the bonds it issues, then those bonds are general obligation (G.O.) bonds. Sometimes the term is also used to refer to bonds which are to be repaid from taxes and other general revenues. In California, G.O. bonds issued after 1977 must be authorized by public referenda with two-thirds voter approval. The City currently has no General Obligation Bond debt.

GFOA

Government Finance Officers Association - The GFOA is the professional association of state/provincial and local finance officers in the United States and Canada.

IIAP

Injury and Illness Prevention Program

Impact Fees

Fees imposed in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project.

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Glossary

Infrastructure

All City owned facilities supporting the operation of the governmental unit. It includes: streets, roads, bridges, curbs and gutters, parks, water and sewer lines, storm drains, water pump stations and reservoirs, water wells, sewer lift stations, all government buildings and related facilities.

Intergovernmental Grant

A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal Governments. Grants are usually made for specified purposes.

Internal Service Fund

Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City.

Investments

Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

LAFCO

Local Agency Formation Commission.

Liability

A debt or other legal obligation arising out of transactions in the past which must be liquidated, renewed or refunded at some future date. NOTE: The term does not include encumbrances.

Maturities

The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

Measure C

A measure approved by voters amending the Morgan Hill General Plan and Municipal Code to update Measure P, the City's Residential Development Control System (RDCS) to extend the RDCS to 2020, establishing a population ceiling of 48,000 for the year 2020.

Modified Accrual

Recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows and outflows of cash. Amounts are recognized as revenue when earned, only so long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period.

Glossary (continued)

MOU

Memorandum of Understanding – The City of Morgan Hill uses a MOU to define the relationship between the City and its represented employees. It creates a platform for a clear understanding of each party's commitments/ purpose.

Operating Fund

Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

OSC

Outdoor Sports Center

OSHA

Occupational Health and Safety Administration

POA

Police Officer's Association

POST

Peace Officer Standards and Training

Property Taxes – Secured

Taxes on real and personal property located upon that property of the same owner.

Property Taxes - Unsecured

Taxes on property for which the value of the lien is not sufficient to assure payment of the tax.

Proposition 4

The Gann Initiative – limits growth in government spending to changes in population and inflation.

Proposition 111

State measure (1990) increasing gasoline and diesel fuel tax rates by 9 cents per gallon over a five-year period. Since 1994 this tax has been assessed at 18 cents per gallon.

Reappropriation

A governing body action that transfers spending authority from a completed fiscal year to the subsequent spending plan.

Glossary (continued)

Redevelopment Agency (RDA)

Dedicated to improving the quality of life in Morgan Hill. The Agency works to remove blight and breathe new life into deteriorated areas of the city. The Agency is also responsible for many of the improvements to the city's infrastructure (street and sewer improvements), renewal of the downtown area, construction of community facilities, affordable housing, and economic development.

Reserves

An account used to indicate that a portion of fund equity that is legally restricted for a specific purpose.

Resources

Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

Revenues

Total dollars received from taxes, fees, permits, licenses, interest, and intergovernmental sources including grants within the fiscal year.

Revenue Bonds

Bonds which pledge one specific revenue source to repayment. In addition to a pledge of revenues, such bonds sometimes may be secured by a lien against property.

Revenue Estimate

A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

SCRWA

The South County Regional Wastewater Authority - handles the disposal of wastewater from Gilroy and Morgan Hill.

Special Revenue Fund

Separate fund used to account for the proceeds of special revenue sources that are restricted by law (or administrative action) to expenditures for specific purposes.

Transit Occupancy Tax (TOT)

Tax on persons staying 30 days or less in a hotel, inn, motel, tourist home, non-membership campground or other lodging facility.

Glossary (continued)

UI

Unemployment Insurance

Unit Cost

Cost of producing one unit of product or service, usually based on averages. Unit costs may be stated in terms of gallons, feet, tons, individual units, etc.

User Charges

The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Yield

The rate earned on an investment based on the price paid.

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Resolution Adopting the City Budget

RESOLUTION NO. 16-104

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ADOPTING THE FISCAL YEARS 2016-17 AND 2017-18 OPERATING BUDGET, FISCAL YEARS 2016-17 THROUGH 2021-22 CAPITAL IMPROVEMENT PROGRAM BUDGET, AND FISCAL YEAR 2016-17 APPROPRIATIONS LIMIT

WHEREAS, the City of Morgan Hill Budget for the 2016-17 and 2017-18 fiscal years was prepared by City staff and reviewed by the City Manager;

WHEREAS, the City of Morgan Hill Budget for the 2016-17 and 2017-18 fiscal years was distributed to the City Council on April 29, 2016, introduced to the City Council on May 4, 2016, was reviewed at a budget workshop on May 20, 2016, and was further reviewed at a public hearing on June 1, 2016;

WHEREAS, in accordance with the State Revenue and Taxation Code Section 7910, the City of Morgan Hill's 2016-17 fiscal year General Fund appropriations limit is $101,643,164 as shown on Schedule A;

WHEREAS, in accordance with the State Revenue and Taxation Code Section 7910, the appropriations for the 2016-17 fiscal year, as shown on Schedule B, which are subject to the appropriations limit as set forth in Article XIIIB of the California Constitution, do not exceed the limit as stated above;

WHEREAS, the annual adjustment factors that were selected to calculate the 2016-17 fiscal year limit were: 1) California Per Capita Personal Income adjustment factor of 1.0537; and 2) City Population Growth factor of 1.0298;

WHEREAS, modifications and amendments to the Adopted Fiscal Years 2016-17 and 2017-18 City of Morgan Hill Budget can only be made in accordance with Fiscal Policy 4.E in the Adopted Budget document;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morgan Hill finds that the Capital Improvement Program is in conformity with the General Plan; and

BE IT FURTHER RESOLVED that the City Council of the City of Morgan Hill does hereby approve and adopt the City of Morgan Hill Fiscal Years 2016-17 and 2017-18 Recommended Operating Budget, Fiscal Years 2016-17 through 2021-22 Recommended Capital Improvement Program (CIP) Budget, Appropriations Limit for Fiscal Year 2016-17, and Appropriations Limit Adjustment Factors for Fiscal Year 2016-17.

Resolution Adopting the City Budget (continued)

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 15th day of June, 2016 by the following vote:

AYES:	**COUNCIL MEMBERS:**	**Rich Constantine, Marilyn Librers, Gordon Siebert, Steve Tate**
NOES:	**COUNCIL MEMBERS:**	**None**
ABSTAIN:	**COUNCIL MEMBERS:**	**None**
ABSENT:	**COUNCIL MEMBERS:**	**Larry Carr**

STEVE TATE, Mayor **DATE:** 6/17/2016

ATTEST:

IRMA TORREZ, City Clerk **DATE:** 6/29/2016

CERTIFICATION

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.16-104, adopted by the City Council at the meeting held on June 15, 2016.

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

DATE: June 24, 2016

IRMA TORREZ, City Clerk

Appropriations Limit Calculation

City of Morgan Hill
Resolution No. 16-104
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SCHEDULE A

CITY OF MORGAN HILL
SPENDING LIMIT CALCULATION
FISCAL YEAR 2016-17

APPROPRIATIONS SUBJECT TO LIMIT

Fiscal Year 2016-17 General Fund Revenues		$36,200,536
Less Non Proceeds of Tax		11,739,042
Total appropriations subject to limits		$24,461,494

APPROPRIATIONS LIMIT

Fiscal year 2015-16 appropriations limit		$93,671,680
Plus Change Factor:		
A. Cost of living adjustment - CPI	1.0537	
B. Population Adjustment	1.0298	
Total Change Factor		1.0851
Increase in appropriations limit		7,971,484
FISCAL YEAR 2016-17 APPROPRIATIONS LIMIT		**101,643,164**
Remaining appropriations capacity		77,181,670
Available capacity as a percent of appropriations limit		76%

NOTES

a. Cost of living adjustment is based on percentage change in California per capita income.
b. Population adjustment is based on the greater of annual population change for the City of Morgan Hill or Santa Clara County.

Appropriations Limit Calculation (continued)

City of Morgan Hill
Resolution No. 16-104
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SCHEDULE B

CITY OF MORGAN HILL
SPENDING LIMIT CALCULATION
FISCAL YEAR 2016-17

REVENUE SOURCE	PROCEEDS OF TAX	NON PROCEEDS OF TAX	TOTALS
Property Tax	$ 9,961,000		$ 9,961,000
Sales Tax	9,170,767		9,170,767
Transient Occupancy Tax	2,684,700		2,684,700
Franchise Revenue	1,927,359		1,927,359
Property Transfer Tax	469,000		469,000
Business License / Other Permits	231,474		231,474
Motor Vehicle in Lieu	17,194		17,194
Fines and Penalties		76,000	76,000
Use of Money and Property		991,368	991,368
Other Revenue / Other Agencies		455,550	455,550
Police and Fire Fees		640,917	640,917
Current Service Charges General Govt.		7,947,626	7,947,626
Transfers		1,627,581	1,627,581
Total	$24,461,494	$ 11,739,042	$ 36,200,536
Percentage of Total	68%	32%	100.00%

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Budget Summary

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Comparison of Municipalities 99

FY 2016-17 Combined Statement:

Revenues, Expenditures and Changes in Fund Balance

	General Fund	Special Revenue	Capital Project	Debt Service	Enterprise	Internal Services	Agency	All Funds
SOURCES OF FUNDS								
Property Tax/Assessments	9,961,000	226,853	-	-	-	-	648,299	10,836,152
Other Taxes	14,251,826	-	-	-	-	-	-	14,251,826
Licenses & Permits	206,474	-	-	-	-	-	-	206,474
Fines & Penalties	76,000	-	-	-	-	-	-	76,000
Use of Money & Property	269,133	34,298	381,289	5,157	231,744	46,863	10,623	979,107
Other Agencies	472,744	8,993,682	98,541	-	-	-	-	9,564,967
Charges for Current Svs.	8,958,220	6,240,436	11,311,510	-	26,730,832	9,671,195	-	62,912,192
Other Revenues	377,558	891,974	2,687,410	-	129,430	-	-	4,086,372
Transfers In	1,627,581	424,760	1,370,370	674,143	4,486,833	939,145	-	9,522,832
TOTAL SOURCES	**36,200,537**	**16,812,003**	**15,849,120**	**679,300**	**31,578,839**	**10,657,203**	**658,922**	**112,435,923**
USES OF FUNDS								
Salaries	19,794,493	4,860,958	502,170	-	4,726,234	3,654,652	-	33,538,507
Supplies & Services	10,564,793	2,390,362	434,856	-	9,226,091	4,311,912	12,683	26,940,697
Capital Outlay	51,000	90,100	24,994	-	833,130	2,753,039	-	3,752,263
Debt Services	111,184	6,918,746	-	672,849	3,546,876	10,375	627,263	11,887,291
Internal Service	4,987,892	984,852	164,804	3,372	1,281,765	358,301	8,483	7,789,468
Transfers Out	2,274,330	1,081,436	631,570	-	5,464,776	70,716	-	9,522,827
Project Expenditure	-	4,305,376	12,011,000	-	16,473,000	-	-	32,789,376
TOTAL USES	**37,783,691**	**20,631,829**	**13,769,393**	**676,221**	**41,551,872**	**11,158,993**	**648,429**	**126,220,429**
SOURCE/USE VARIANCE	**(1,583,155)**	**(3,819,827)**	**2,079,727**	**3,079**	**(9,973,033)**	**(501,791)**	**10,493**	**(13,784,506)**
FUND BALANCE 7/1/16	**16,964,796**	**8,786,925**	**36,113,603**	**1,032,439**	**32,013,567**	**9,646,758**	**2,274,730**	**106,832,818**
PROJ. BALANCE 6/30/17	**15,381,641**	**4,967,098**	**38,193,330**	**1,035,518**	**22,040,534**	**9,144,968**	**2,285,223**	**93,048,312**

FY 2017-18 Combined Statement:

Revenues, Expenditures and Changes in Fund Balance

	General Fund	Special Revenue	Capital Project	Debt Service	Enterprise	Internal Services	Agency	All Funds
SOURCES OF FUNDS								
Property Tax/Assessments	10,114,000	229,264	-	-	-	-	1,475,399	11,818,663
Other Taxes	14,803,346	-	-	-	-	-	-	14,803,346
Licenses & Permits	210,621	-	-	-	-	-	-	210,621
Fines & Penalties	77,520	-	-	-	-	-	-	77,520
Use of Money & Property	309,397	27,453	472,005	7,706	247,517	71,191	15,935	1,151,203
Other Agencies	324,413	9,215,878	103,468	-	-	-	-	9,643,759
Charges for Current Svs.	9,396,577	4,819,061	9,722,254	-	28,300,253	9,909,000	-	62,147,145
Other Revenues	246,306	429,481	253,439	-	133,313	-	-	1,062,539
Transfers In	1,655,508	437,804	1,889,098	675,159	4,660,125	640,273	-	9,957,967
TOTAL SOURCES	**37,137,688**	**15,158,941**	**12,440,264**	**682,865**	**33,341,208**	**10,620,464**	**1,491,334**	**110,872,764**
USES OF FUNDS								
Salaries	20,678,759	4,945,621	513,937	-	4,958,602	3,833,685	-	34,930,603
Supplies & Services	11,001,559	2,186,886	431,000	-	10,030,057	4,465,018	12,937	28,127,458
Capital Outlay	41,120	85,900	24,994	-	828,633	1,036,611	-	2,017,258
Debt Services	111,184	6,910,347	-	677,492	3,549,266	10,375	1,453,687	12,712,350
Internal Service	5,081,811	1,011,635	176,184	3,541	1,333,769	375,253	8,907	7,991,100
Transfers Out	2,118,574	1,033,741	1,172,061	-	5,593,792	39,799	-	9,957,967
Project Expenditure	-	1,500,000	12,720,000	-	16,142,000	-	-	30,362,000
TOTAL USES	**39,033,006**	**17,674,130**	**15,038,175**	**681,033**	**42,436,120**	**9,760,741**	**1,475,531**	**126,098,736**
SOURCE/USE VARIANCE	**(1,895,318)**	**(2,515,189)**	**(2,597,912)**	**1,832**	**(9,094,912)**	**859,723**	**15,803**	**(15,225,972)**
FUND BALANCE 7/1/17	**15,381,641**	**4,967,098**	**38,193,330**	**1,035,518**	**22,040,534**	**9,144,968**	**2,285,223**	**93,048,312**
PROJ. BALANCE 6/30/18	**13,486,323**	**2,451,909**	**35,595,418**	**1,037,351**	**12,945,622**	**10,004,690**	**2,301,026**	**77,822,339**

Fund Balance Projection - FY 2015-16

		7-1-2015 Fund Balance	15-16 Projected Revenues	15-16 Projected Transfers In	15-16 Projected Transfers Out	15-16 Projected Expenditures	06-30-2016 Projected Balance
General Fund							
010	General Fund Undesignated	$ 15,734,135	$ 34,389,463	$ 1,597,317	$ 2,125,815	$ 32,630,304	$ 11,806,376
	General Fund Reserve						5,158,419
	Subtotal	**$ 15,734,135**	**$ 34,389,463**	**$ 1,597,317**	**$ 2,125,815**	**$ 32,630,304**	**$ 16,964,796**
Special Revenue Funds							
202	Street Fund	$ 15,408	$ 739,507	$ -	$ 739,470	$ 1,834	$ 13,611
205	Supplemental Law Enforcement	64,649	100,437	-	112,029	-	53,057
206	Community Development Fund	3,738,705	4,294,692	-	371,950	4,918,312	2,743,135
207	General Plan Update Fund	902,950	569,826	337,840	3,968	590,709	1,215,940
210	Com Rec Centers Startup Fund	296	2	-	-	-	298
215	CDBG Fund	(5,169)	78,194	3,975	-	77,000	0
216	CDBG Revolving Loan Fund	49,801	5,814	-	-	-	55,615
225	Asset Seizure Fund	31,794	1,573	-	-	-	33,367
229	Lighting & Landscape Fund	144,314	184,850	-	614	167,152	161,399
230	Community Facilities District	1,166	40,604	-	-	5,583	36,187
232	Environmental Programs Fund	265,863	69,365	227,724	3,840	267,898	291,214
234	Mobile Home Park Rent Fund	27,377	3,783	-	-	801	30,359
235	Senior Housing Trust Fund	216,405	1,364	-	-	-	217,769
236	Housing Mitigation Fund	2,663,390	1,887,403	-	157,384	1,883,556	2,509,853
240	Employee Assistance Fund	68,129	28,263	-	-	31,131	65,261
247	Environment Remediation Fund	146,237	922	-	-	-	147,159
250	City of Morgan Hill Acting as the Successor Agency to the Morgan Hill Revelopment Agency	13,807,738	10,605,645	-	40,018	27,377,442	(3,004,077)
255	Housing Successor Agency	2,950,263	1,954,867	-	35,351	653,001	4,216,778
	Subtotal	**$ 25,089,316**	**$ 20,567,113**	**$ 569,539**	**$ 1,464,624**	**$ 35,974,418**	**$ 8,786,925**
Capital Project Funds							
301	Park Impact Fund	$ 10,751,523	$ 2,136,282	$ -	$ 64,221	$ 6,560,556	$ 6,263,028
302	Park Maintenance Fund	4,931,589	1,214,615	200,000	12,771	917,953	5,415,479
303	Drainage Impact Fund	5,525,730	1,511,090	-	8,442	100,084	6,928,294
304	Drainage-Non AB1600 Fund	1,194,059	107,321	-	-	146,435	1,154,945
306	Open Space Fund	5,172,576	1,525,305	-	-	609,972	6,087,909
308	Street CIP	957,300	829,340	750,000	-	2,513,508	23,132
309	Traffic Impact Fund	4,362,364	976,055	-	16,884	1,386,438	3,935,097
311	Police Impact Fund	(131)	320,716	-	242,145	1,225	77,215
313	Fire Impact Fund	3,582,293	87,119	-	-	26,256	3,643,156
346	Public Facilities (Non AB1600)	666,296	1,026,249	-	94,114	1,898,431	(300,000)
347	Public Facilities Impact Fund	63,719	228,579	-	-	41,133	251,165
348	Library Impact Fund	1,403,385	973,610	-	244,870	322,310	1,809,815
350	Undergrounding Fund	352,009	2,263	-	-	1,065,460	(711,188)
355	School Ped & Traffic Safety	1,364,162	508,362	-	-	630,039	1,242,485
360	Com. Rec. Centers Impact Fund	58,927	293,405	-	57,393	1,870	293,069
	Subtotal	**$ 40,385,801**	**$ 11,740,312**	**$ 950,000**	**$ 740,840**	**$ 16,221,670**	**$ 36,113,603**
Debt Service Funds							
420	Civic Center Debt	$ 427,347	$ 480	$ 408,451	$ -	$ 340,196	$ 496,082
441	Police Facility Bond Debt Service	514,434	7,790	458,608	-	455,641	525,191
545	Cochrane Business Park AD Fund	11,096	70	-	-	-	11,166
	Subtotal	**$ 952,877**	**$ 8,340**	**$ 867,059**	**$ -**	**$ 795,837**	**$ 1,032,439**

Fund Balance Projection - FY 2015-16 (continued)

		7-1-2015 Fund Balance	15-16 Projected Revenues	15-16 Projected Transfers In	15-16 Projected Transfers Out	15-16 Projected Expenditures	06-30-2016 Projected Balance
Enterprise Funds							
640	Sewer Operations Fund	$ 4,339,196	$ 10,127,227	$ -	$ 5,162,165	$ 6,451,498	$ 2,852,760
641	Sewer Impact Fund	16,839,672	4,927,400	-	2,814	14,682,218	7,082,040
642	Sewer Rate Stablization Fund	1,256,536	221,284	1,000,000	-	3,537	2,474,283
643	Sewer System Replacement Fund	8,102,280	22,157	3,500,000	2,814	1,346,089	10,275,534
650	Water Operations Fund	2,678,557	8,463,281	349,445	1,556,331	8,407,048	1,527,904
651	Water Impact Fund	4,981,630	1,497,894	-	4,221	1,844,722	4,630,580
652	Water Rate Stabilization Fund	(256)	232	627	-	603	(0)
653	Water System Replacement Fund	5,947,645	154,100	939,538	-	3,870,816	3,170,467
	Subtotal	**$ 44,145,260**	**$ 25,413,574**	**$ 5,789,610**	**$ 6,728,345**	**$ 36,606,532**	**$ 32,013,567**
Internal Service Funds							
730	Information Systems Fund	$ 286,082	$ 1,266,961	$ -	$ 13,055	$ 1,251,671	$ 288,316
740	Building Maintenance Fund	37,939	2,557,272	710,221	15,033	3,051,145	239,255
741	Building Replacement Fund	2,222,970	413,113	28,507	-	162,928	2,501,662
745	CIP Administration Fund	(30,594)	1,697,941	-	30,667	1,636,680	0
760	Unemployment Insurance Fund	194,924	1,180	-	-	20,000	176,104
770	Worker's Comp Fund	820,342	666,084	-	-	675,477	810,948
790	Equipment Replacement Fund	3,868,573	1,151,751	130,000	-	1,566,761	3,583,563
791	Employee Benefits Fund	462,432	557,528	477,405	-	516,400	980,965
795	General Liab. Insurance Fund	811,912	1,127,166	-	1,280	871,853	1,065,946
	Subtotal	**$ 8,674,580**	**$ 9,438,995**	**$ 1,346,133**	**$ 60,035**	**$ 9,752,915**	**$ 9,646,758**
Agency Funds							
820	Special Deposits	$ 1,001	$ 6,108	$ -	$ -	$ -	$ 7,109
830	Downtown PBID	130,826	674	-	-	-	131,500
843	MH Business Ranch 1998 AD Fund	673,658	802,123	-	-	802,293	673,488
844	MH Ranch Reassessment 2004 Fund	38,702	244	-	-	-	38,946
845	Madrone BP (Tax Exempt) Fund	678,669	733,359	-	-	722,531	689,497
846	Madrone BP (Taxable) Fund	131,794	103,292	-	-	102,934	132,152
848	Tennant Ave Business Park AD Fund	572,980	3,611	-	-	-	576,591
881	Police Donation Trust Fund	25,278	168	-	-	-	25,446
	Subtotal	**$ 2,252,908**	**$ 1,649,580**	**$ -**	**$ -**	**$ 1,627,758**	**$ 2,274,730**
	TOTAL - ALL FUNDS	**$ 137,234,877**	**$ 103,207,377**	**$ 11,119,658**	**$ 11,119,659**	**$ 133,609,435**	**$ 106,832,818**

• CITY OF MORGAN HILL • FY 16-17 and 17-18 • OPERATING AND CIP BUDGET • CITY OF MORGAN HILL • FY 16-17 and 17-18 • OPERATING AND CIP BUDGET • CITY OF MORGAN HILL • FY 16-17 and 17-18 •

Fund Balance Projection - FY 2016-17

		7-1-2016 Projected Fund Balance	16-17 Projected Revenues	16-17 Projected Transfers In	16-17 Projected Transfers Out	16-17 Projected Expenditures	06-30-2017 Projected Balance
General Fund							
010	General Fund	$ 16,964,796	$ 34,572,956	$ 1,627,581	$ 2,274,330	$ 35,509,362	$ 10,195,698
	General Fund Reserve						5,185,943
	Subtotal	**$ 16,964,796**	**$ 34,572,956**	**$ 1,627,581**	**$ 2,274,330**	**$ 35,509,362**	**$ 15,381,641**
Special Revenue Funds							
202	Street Fund	$ 13,611	$ 761,518	$ -	$ 762,581	$ 1,926	$ 10,622
205	Supplemental Law Enforcement	53,057	100,265	-	100,000	-	53,322
206	Community Development Fund	2,743,135	4,378,624	-	157,624	4,959,517	2,004,618
207	General Plan Update Fund	1,215,940	548,035	110,000	6,628	735,400	1,131,947
210	Com Rec Centers Startup Fund	298	1	-	-	-	299
215	CDBG Fund	0	70,000	-	-	70,000	0
216	CDBG Revolving Loan Fund	55,615	278	-	-	-	55,893
225	Asset Seizure Fund	33,367	167	-	-	-	33,534
229	Lighting & Landscape Fund	161,399	185,810	-	736	196,456	150,017
230	Community Facilities District	36,187	41,999	-	155	42,277	35,753
232	Environmental Programs Fund	291,214	67,880	314,760	4,651	326,491	342,712
234	Mobile Home Park Rent Fund	30,359	3,831	-	-	840	33,350
235	Senior Housing Trust Fund	217,769	1,089	-	-	-	218,858
236	Housing Mitigation Fund	2,509,853	1,601,328	-	14,584	3,066,495	1,030,102
240	Employee Assistance Fund	65,261	30,298	-	-	41,188	54,371
247	Environment Remediation Fund	147,159	736	-	-	-	147,895
250	City of Morgan Hill Acting as the Successor Agency to the Morgan Hill Revelopment Agency	(3,004,077)	7,343,954	-	29,826	7,329,148	(3,019,098)
255	Housing Successor Agency	4,216,778	1,251,430	-	4,651	2,780,656	2,682,901
	Subtotal	**$ 8,786,925**	**$ 16,387,243**	**$ 424,760**	**$ 1,081,436**	**$ 19,550,393**	**$ 4,967,098**
Capital Project Funds							
301	Park Impact Fund	$ 6,263,028	$ 1,850,595	$ -	$ 82,700	$ 5,192,042	$ 2,838,881
302	Park Maintenance Fund	5,415,479	838,123	200,000	10,504	914,194	5,528,904
303	Drainage Impact Fund	6,928,294	1,624,857	-	7,700	5,802	8,539,649
304	Drainage-Non AB1600 Fund	1,154,945	84,735	-	-	54,922	1,184,758
306	Open Space Fund	6,087,909	1,943,781	-	16,500	1,433,343	6,581,847
308	Street CIP	23,132	1,731,146	1,000,000	-	2,710,690	43,588
309	Traffic Impact Fund	3,935,097	1,360,910	-	31,900	1,000,905	4,263,202
311	Police Impact Fund	77,215	272,506	-	269,731	1,268	78,722
313	Fire Impact Fund	3,643,156	68,782	70,370	-	26,316	3,755,992
346	Public Facilities (Non AB1600)	(300,000)	786,626	-	-	309,863	176,763
347	Public Facilities Impact Fund	251,165	182,245	-	-	431,177	2,233
348	Library Impact Fund	1,809,815	813,403	-	212,535	117,378	2,293,305
350	Undergrounding Fund	(711,188)	1,104,276	-	-	513	392,575
355	School Ped & Traffic Safety	1,242,485	566,766	100,000	-	939,410	969,841
360	Com. Rec. Centers Impact Fund	293,069	1,249,999	-	-	-	1,543,068
	Subtotal	**$ 36,113,603**	**$ 14,478,750**	**$ 1,370,370**	**$ 631,570**	**$ 13,137,823**	**$ 38,193,330**
Debt Service Funds							
420	Civic Center Debt	$ 496,082	$ 2,480	$ 298,643	$ -	$ 298,643	$ 498,562
441	Police Facility Bond Debt Service	525,191	2,621	375,500	-	377,578	525,734
545	Cochrane Business Park AD Fund	11,166	56	-	-	-	11,222
	Subtotal	**$ 1,032,439**	**$ 5,157**	**$ 674,143**	**$ -**	**$ 676,221**	**$ 1,035,518**

Fund Balance Projection—FY 2016-17 (continued)

		7-1-2016 Projected Fund Balance	16-17 Projected Revenues	16-17 Projected Transfers In	16-17 Projected Transfers Out	16-17 Projected Expenditures	06-30-2017 Projected Balance
Enterprise Funds							
640	Sewer Operations Fund	$ 2,852,760	$ 10,403,329	$ -	$ 3,509,749	$ 7,129,622	$ 2,616,718
641	Sewer Impact Fund	7,082,040	5,732,828	-	7,700	4,616,444	8,190,724
642	Sewer Rate Stablization Fund	2,474,283	9,237	-	-	3,714	2,479,806
643	Sewer System Replacement Fund	10,275,534	31,213	2,639,485	-	6,815,291	6,130,941
650	Water Operations Fund	1,527,904	9,596,810	401,799	1,939,627	8,895,923	690,963
651	Water Impact Fund	4,630,580	1,309,429	-	7,700	4,533,710	1,398,599
652	Water Rate Stabilization Fund	(0)	1,248	500,000	-	632	500,616
653	Water System Replacement Fund	3,170,467	7,912	945,549	-	4,091,761	32,167
	Subtotal	**$ 32,013,567**	**$ 27,092,006**	**$ 4,486,833**	**$ 5,464,776**	**$ 36,087,097**	**$ 22,040,534**
Internal Service Funds							
730	Information Systems Fund	$ 288,316	$ 1,592,348	$ -	$ 16,861	$ 1,713,936	$ 149,867
740	Building Maintenance Fund	239,255	3,004,446	9,781	18,797	2,980,677	254,008
741	Building Replacement Fund	2,501,662	421,607	29,362	-	1,088,700	1,863,931
745	CIP Administration Fund	0	1,820,194	-	33,508	1,786,686	0
760	Unemployment Insurance Fund	176,104	831	-	-	20,000	156,935
770	Worker's Comp Fund	810,948	735,723	-	-	792,948	753,723
790	Equipment Replacement Fund	3,583,563	694,315	300,000	-	1,161,569	3,416,309
791	Employee Benefits Fund	980,965	593,657	600,002	-	537,056	1,637,568
795	General Liab. Insurance Fund	1,065,946	854,937	-	1,550	1,006,706	912,627
	Subtotal	**$ 9,646,758**	**$ 9,718,058**	**$ 939,145**	**$ 70,716**	**$ 11,088,277**	**$ 9,144,968**
Agency Funds							
820	Special Deposits	$ 7,109	$ 36	$ -	$ -	$ -	$ 7,145
830	Downtown PBID	131,500	(92)	-	-	-	131,408
843	MH Business Ranch 1998 AD Fund	673,488	290,779	-	-	287,412	676,854
844	MH Ranch Reassessment 2004 Fund	38,946	195	-	-	-	39,141
845	Madrone BP (Tax Exempt) Fund	689,497	312,298	-	-	308,851	692,944
846	Madrone BP (Taxable) Fund	132,152	52,696	-	-	52,166	132,683
848	Tennant Ave Business Park AD Fund	576,591	2,883	-	-	-	579,474
881	Police Donation Trust Fund	25,446	127	-	-	-	25,573
	Subtotal	**$ 2,274,730**	**$ 658,922**	**$ -**	**$ -**	**$ 648,429**	**$ 2,285,223**
	TOTAL - ALL FUNDS	**$ 106,832,818**	**$ 102,913,091**	**$ 9,522,832**	**$ 9,522,827**	**$ 116,697,602**	**$ 93,048,312**

Fund Balance Projection - FY 2017-18

		7-1-2017 Projected Fund Balance	17-18 Projected Revenues	17-18 Projected Transfers In	17-18 Projected Transfers Out	17-18 Projected Expenditures	06-30-2018 Projected Balance
General Fund							
010	General Fund	$ 15,381,641	$ 35,482,180	$ 1,655,508	$ 2,118,574	$ 36,914,432	$ 8,163,996
	General Fund Reserve						5,322,327
	Subtotal	**$ 15,381,641**	**$ 35,482,180**	**$ 1,655,508**	**$ 2,118,574**	**$ 36,914,432**	**$ 13,486,323**
Special Revenue Funds							
202	Street Fund	$ 10,622	$ 761,530	$ -	$ 761,458	$ 2,022	$ 8,672
205	Supplemental Law Enforcement	53,322	100,395	-	100,000	-	53,717
206	Community Development Fund	2,004,618	3,679,970	-	136,104	5,008,837	539,647
207	General Plan Update Fund	1,131,947	596,212	110,000	3,997	665,593	1,168,569
210	Com Rec Centers Startup Fund	299	2	-	-	-	301
215	CDBG Fund	0	-	-	-	-	0
216	CDBG Revolving Loan Fund	55,893	417	-	-	-	56,310
225	Asset Seizure Fund	33,534	250	-	-	-	33,784
229	Lighting & Landscape Fund	150,017	187,321	-	368	182,663	154,307
230	Community Facilities District	35,753	43,340	-	78	43,333	35,683
232	Environmental Programs Fund	342,712	54,360	327,804	2,326	343,094	379,456
234	Mobile Home Park Rent Fund	33,350	3,931	-	-	880	36,401
235	Senior Housing Trust Fund	218,858	1,633	-	-	-	220,491
236	Housing Mitigation Fund	1,030,102	842,443	-	11,142	1,283,029	578,374
240	Employee Assistance Fund	54,371	30,966	-	-	41,247	44,090
247	Environment Remediation Fund	147,895	1,104	-	-	-	148,999
250	City of Morgan Hill Acting as the Successor Agency to the Morgan Hill Revelopment Agency	(3,019,098)	7,131,889	-	15,942	7,138,478	(3,041,629)
255	Housing Successor Agency	2,682,901	1,285,374	-	2,326	1,931,214	2,034,736
	Subtotal	**$ 4,967,098**	**$ 14,721,137**	**$ 437,804**	**$ 1,033,741**	**$ 16,640,389**	**$ 2,451,909**
Capital Project Funds							
301	Park Impact Fund	$ 2,838,881	$ 1,439,640	$ -	$ 82,700	$ 2,617,450	$ 1,578,371
302	Park Maintenance Fund	5,528,904	688,026	200,000	5,252	927,899	5,483,779
303	Drainage Impact Fund	8,539,649	1,822,884	-	7,700	25,998	10,328,835
304	Drainage-Non AB1600 Fund	1,184,758	70,894	-	-	155,141	1,100,511
306	Open Space Fund	6,581,847	1,539,970	-	16,500	1,350,724	6,754,593
308	Street CIP	43,588	357,235	1,000,000	-	1,356,211	44,612
309	Traffic Impact Fund	4,263,202	1,348,287	-	31,900	2,991,150	2,588,439
311	Police Impact Fund	78,722	256,218	-	227,546	1,313	106,081
313	Fire Impact Fund	3,755,992	94,577	-	589,098	26,379	3,235,092
346	Public Facilities (Non AB1600)	176,763	617,956	-	-	45,041	749,678
347	Public Facilities Impact Fund	2,233	171,217	-	-	1,223	172,227
348	Library Impact Fund	2,293,305	661,411	589,098	211,365	3,332,449	0
350	Undergrounding Fund	392,575	53,236	-	-	539	445,272
355	School Ped & Traffic Safety	969,841	444,341	100,000	-	874,598	639,584
360	Com. Rec. Centers Impact Fund	1,543,068	985,274	-	-	160,000	2,368,342
	Subtotal	**$ 38,193,330**	**$ 10,551,166**	**$ 1,889,098**	**$ 1,172,061**	**$ 13,866,114**	**$ 35,595,418**
Debt Service Funds							
420	Civic Center Debt	$ 498,562	$ 3,707	$ 293,701	$ -	$ 297,423	$ 498,547
441	Police Facility Bond Debt Service	525,734	3,915	381,458	-	383,610	527,498
545	Cochrane Business Park AD Fund	11,222	84	-	-	-	11,306
	Subtotal	**$ 1,035,518**	**$ 7,706**	**$ 675,159**	**$ -**	**$ 681,033**	**$ 1,037,351**

Fund Balance Projection - FY 2017-18 (continued)

		7-1-2017 Projected Fund Balance	17-18 Projected Revenues	17-18 Projected Transfers In	17-18 Projected Transfers Out	17-18 Projected Expenditures	06-30-2018 Projected Balance
Enterprise Funds							
640	Sewer Operations Fund	$ 2,616,718	$ 10,834,510	$ -	$ 3,259,718	$ 7,482,453	$ 2,709,057
641	Sewer Impact Fund	8,190,724	4,787,227	-	7,700	11,525,316	1,444,935
642	Sewer Rate Stablization Fund	2,479,806	15,702	-	-	3,900	2,491,608
643	Sewer System Replacement Fund	6,130,941	31,699	2,392,810	-	6,087,933	2,467,517
650	Water Operations Fund	690,963	11,807,178	415,544	2,318,674	9,625,414	969,597
651	Water Impact Fund	1,398,599	1,198,928	-	7,700	766,434	1,823,393
652	Water Rate Stabilization Fund	500,616	5,618	500,000	-	662	1,005,572
653	Water System Replacement Fund	32,167	221	1,351,771	-	1,350,215	33,944
	Subtotal	**$ 22,040,534**	**$ 28,681,083**	**$ 4,660,125**	**$ 5,593,792**	**$ 36,842,327**	**$ 12,945,622**
Internal Service Funds							
730	Information Systems Fund	$ 149,867	$ 1,592,812	$ -	$ 9,113	$ 1,464,395	$ 269,171
740	Building Maintenance Fund	254,008	3,056,587	10,028	9,400	3,029,448	281,775
741	Building Replacement Fund	1,863,931	456,765	30,243	-	356,500	1,994,439
745	CIP Administration Fund	0	1,869,109	-	20,511	1,848,598	0
760	Unemployment Insurance Fund	156,935	1,094	-	-	20,400	137,629
770	Worker's Comp Fund	753,723	763,390	-	-	808,807	708,306
790	Equipment Replacement Fund	3,416,309	674,418	300,000	-	575,111	3,815,616
791	Employee Benefits Fund	1,637,568	624,674	300,002	-	558,538	2,003,706
795	General Liab. Insurance Fund	912,627	941,342	-	775	1,059,145	794,049
	Subtotal	**$ 9,144,968**	**$ 9,980,191**	**$ 640,273**	**$ 39,799**	**$ 9,720,942**	**$ 10,004,690**
Agency Funds							
820	Special Deposits	$ 7,145	$ 53	$ -	$ -	$ -	$ 7,198
830	Downtown PBID	131,408	(137)	-	-	-	131,271
843	MH Business Ranch 1998 AD Fund	676,854	738,448	-	-	733,397	681,905
844	MH Ranch Reassessment 2004 Fund	39,141	292	-	-	-	39,433
845	Madrone BP (Tax Exempt) Fund	692,944	665,702	-	-	660,531	698,116
846	Madrone BP (Taxable) Fund	132,683	82,461	-	-	81,603	133,540
848	Tennant Ave Business Park AD Fund	579,474	4,324	-	-	-	583,798
881	Police Donation Trust Fund	25,573	191	-	-	-	25,764
	Subtotal	**$ 2,285,223**	**$ 1,491,334**	**$ -**	**$ -**	**$ 1,475,531**	**$ 2,301,026**
	TOTAL - ALL FUNDS	**$ 93,048,312**	**$ 100,914,797**	**$ 9,957,967**	**$ 9,957,967**	**$ 116,140,769**	**$ 77,822,339**

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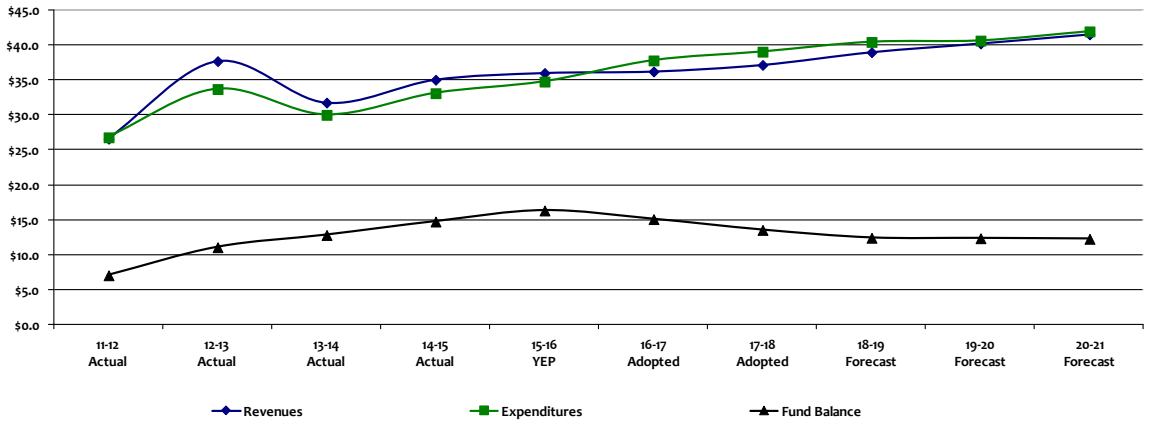
General Fund Balance Charts

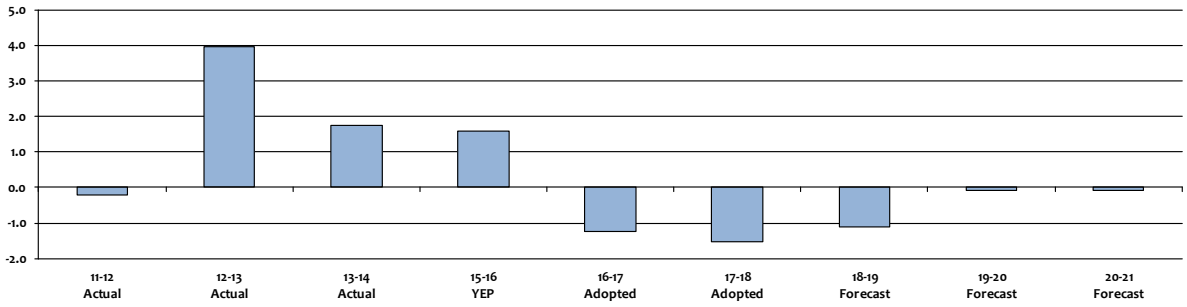
General Fund Balance Growth

(In millions of dollars)



General Fund Balance Gain (Loss)

(In millions of dollars)

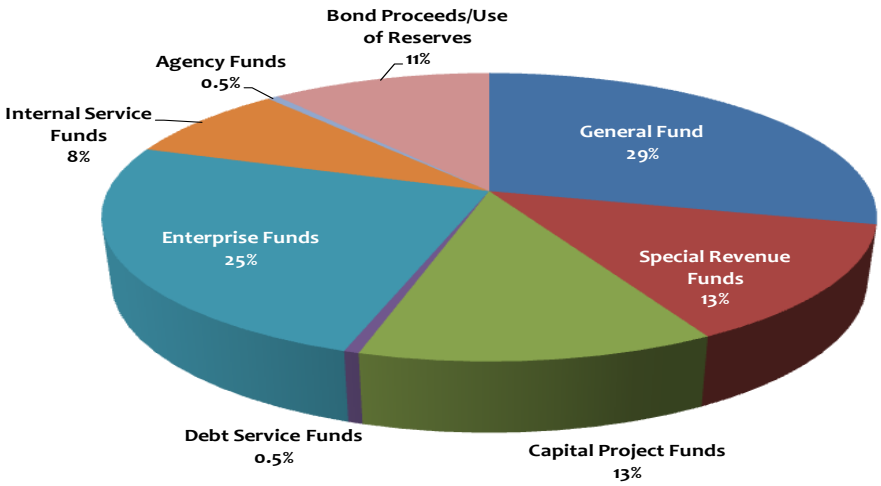


Summary of Resources

FY 2016-17

Total City Resources

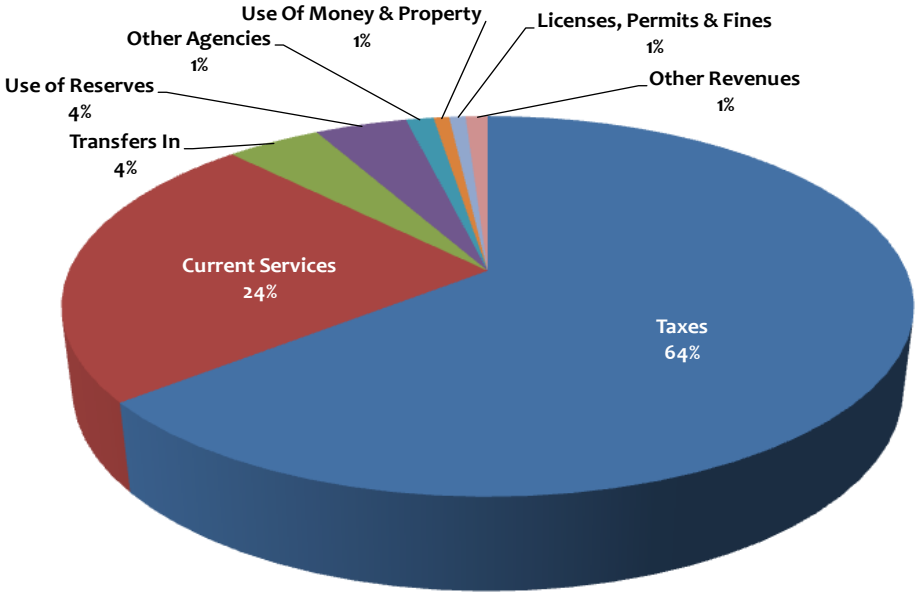
$ 126.2 million



FY 2016-17

General Fund Resources

$ 37.8 million



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Major Revenue Assumptions

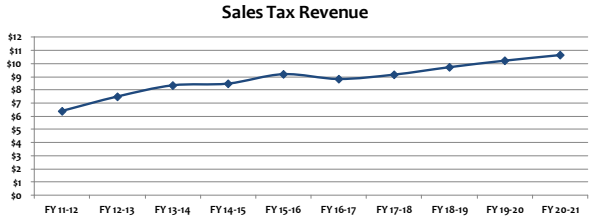
General Fund (010)

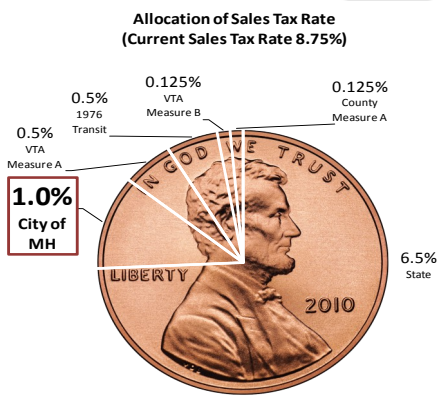
FY 16-17 and 17-18 revenues for the General Fund, including transfers in, are estimated to be $36.2 million and $37.1 million, respectively. General Fund revenues continue the upward trajectory as the City has recovered from the economic downturn. In general, the FY 16-17 and 17-18 Budget estimates that most revenues will experience growth over the next five years.

Sales Tax

Sales tax is imposed on retailers for selling tangible personal property in California. The use tax is imposed on the user of a product purchased out-of-state and delivered for use in California. The sales and use tax rate for Santa Clara County is 8.75 percent.

Sales tax, at $8.8 million or 24 percent of the total General Fund revenue projected for FY 16-17, is the second largest revenue source for the City's general fund. This revenue source is anticipated to increase by $0.4 million to $9.2 million in FY 17-18. Subsequent forecast years assume steady annual growth.



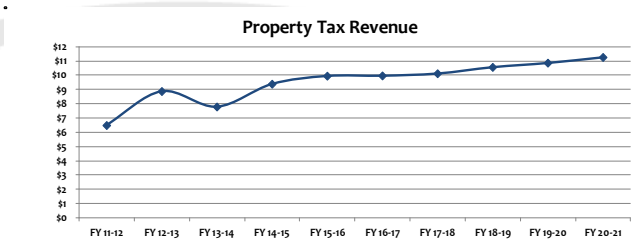


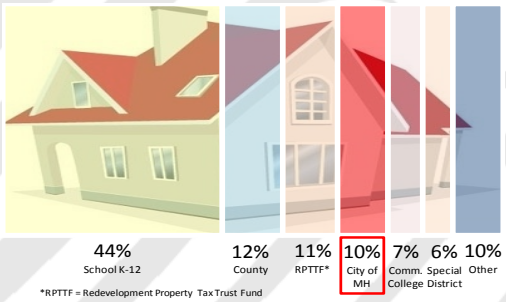
Property Tax

Property tax is imposed on real property (land and permanently attached improvements such as buildings) and tangible personal property (movable property) located within the State, based on the property value rather than on a fixed amount or benefit. Properties are distinguished as secured and unsecured—property for which the value of the lien is not sufficient to assure payment of the tax.

Article XIIIA of the State Constitution limits the real property tax rate to 1 percent of the property's assessed value plus rates imposed to fund indebtedness approved by the voters. Morgan Hill's share of the 1 percent is equivalent to 10 cents for every $1.00 collected from property taxes. With the passage of Prop 13 in 1978, assessed valuations are limited to a 2 percent increase each year.

Property tax is projected at $10.0 million or 28 percent of the total General Fund revenues for FY 16-17. It is anticipated to grow to $10.1 million in FY 17-18. Included in the total projected property tax revenue are the secured and unsecured taxes, RPTTF Residual Distribution, VLF In-Lieu of Property Tax, Former RDA Pass Through, and Supplemental Property Taxes.

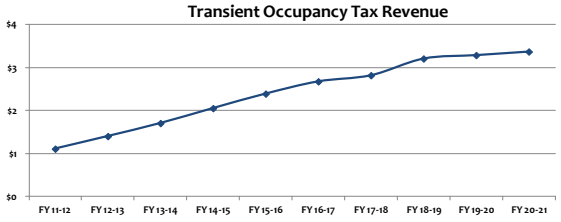




Major Revenue Assumptions (continued)

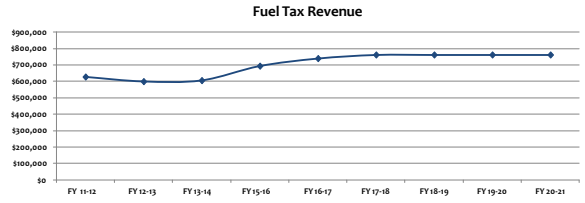
Transient Occupancy Tax

The transient occupancy tax (TOT) is imposed on persons staying 30 days or less in a hotel, inn, motel, tourist home or other lodging facility. The City's current rate is 10 percent. TOT revenue is projected at $2.7 million and $2.8 million for FY 16-17 and FY 17-18, respectively. The City has greatly benefitted from the activities at the Outdoor Sports Center and the Aquatics Center which host regional events with participants utilizing the city's hotels and motels. The five-year forecast period assumes growth in future years as a result of continued tourism expansion and additional lodging facilities.



Street Fund (202)

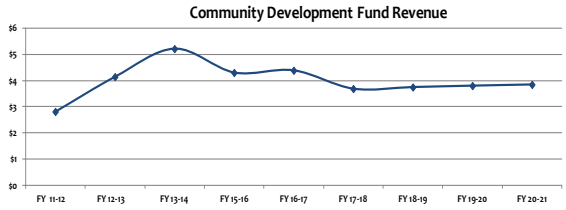
The Street Fund is a special revenue fund used to account for the receipt and disbursement of State and Federal gas tax and grant monies, and other monies that are to be used for the maintenance, repair, and design of streets. State gas tax funds are distributed to cities based on population from gas taxes collected at the point of sale. The use of gas tax funds is restricted to street expenditures by State and Federal laws. Revenues for street maintenance are realized in this fund and are then transferred to the General Fund. In FY 16-17 and 17-18, gas tax revenues are expected to stay fairly flat at approximately $0.8 million. The five-year forecast assumes no growth in the out-years.



Community Development Fund (206)

The Community Development Fund is a special revenue fund used to account for the collection of planning, building, and engineering fees. The expenditures of these funds are restricted to the costs associated with processing building, engineering and planning applications.

FY 15-16 Year End Projections are $0.4 million lower than budgeted due to timing of development activity. FY 16-17 and FY 17-18 revenues are projected to be $4.4 million and $3.7 million, respectively. The revenues for FY 17-18 are anticipated to be lower than FY 16-17 due to less engineering and building fees as development slows from recent highs. Revenues collected are completely dependent on the level of development activity.
As the fund's reserve is anticipated to be depleted over the next few years due to projects and expenditure levels, the Community Development Department's work program includes measures to complete and implement an updated fee study with plans to present to City Council an updated fee schedule in the summer 2016. Fees are anticipated to increase as a result of the study and the revenues will be adjusted accordingly.



Wastewater Operations Fund (640)

The Sewer Operations Fund receives revenues from user charges based on water usage. All expenditures for the operation of the wastewater (sewer) system, including maintenance and debt service, are charged to the Wastewater Operations Fund. Total revenue for FY 16-17 and 17-18 are budgeted at $10.4 million and $10.8 million, respectively.

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Major Revenue Assumptions (continued)

As a result of the January 2016 rate studies for water and wastewater, the Council approved a five year annual rates adjustment plan to ensure that the integrity and reliability of these essential community assets can be maintained, aging and inefficient infrastructure replaced, and that sufficient annual operating revenue will be generated to pay all annual operating expenses.

Unlike the water fund, the drought conditions that have significantly impacted the water fund due to reduced water consumption have had a minimal impact on the wastewater fund because rates are set from a three month average of water consumption during the winter months, which is typically the lowest period of water consumption. As a result, the Council has made the determination that the previously adopted 3.5% rate adjustment that would have gone into effect January 1, 2016 for wastewater not be implemented. The Council has approved nominal rate adjustments over the next five years.

Water Operations Fund (650)

The Water Operations Fund receives revenues from user charges based on water usage. All expenditures for the operation of the water system, including maintenance and debt service, are charged to the Water Operations Fund. Actual water revenue is dependent on customer usage. Due to the recent drought years, the City has adopted conservation measures which have reduced the amount of revenue from water sales.

As a result of the January 2016 rate studies and approved rate adjustments discussed above, the City's Water revenue is forecasted to steadily increase from $10.0 million in FY 16-17 to $15.5 million in FY 20-21. The fund is forecasted to meet Council's reserve policy by FY 20-21.

Summary of Revenues & Transfer In

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
General Fund					
Property Taxes (Sec. & Unsecured)	$ 6,144,469	$ 5,659,576	$ 6,454,000	$ 6,313,000	$ 6,341,000
VLF In-Lieu Property Tax	2,991,194	3,110,842	3,194,000	3,333,000	3,450,000
RDA Pass-Thru	245,013	262,164	296,000	315,000	323,000
Sales Tax	8,467,396	8,753,849	9,186,200	8,819,767	9,151,500
Transient Occupancy Taxes	2,062,260	1,991,850	2,400,000	2,684,700	2,827,050
Franchise (Refuse,Cable,PG&E)	1,717,693	1,776,150	1,814,408	1,927,359	1,981,796
Public Safety Sales Tax	323,373	344,329	344,330	351,000	362,000
Property Transfer Tax	452,836	457,960	457,960	469,000	481,000
Total Taxes	$ 22,404,234	$ 22,356,720	$ 24,146,898	$ 24,212,826	$ 24,917,346
Business License	$ 183,857	$ 186,783	$ 195,000	$ 198,900	$ 202,878
Other Permits	32,436	28,300	32,408	32,574	33,243
Total Licenses/Permits	$ 216,293	$ 215,083	$ 227,408	$ 231,474	$ 236,121
Parking Enforcement	$ 11,600	$ 8,240	$ 10,639	$ 12,000	$ 12,240
City Code Enforcement	73,922	60,000	50,000	64,000	65,280
Total Fines And Penalties	$ 85,521	$ 68,240	$ 60,639	$ 76,000	$ 77,520
Motor Vechicle In-Lieu	$ 16,883	$ 15,000	$ 16,857	$ 17,194	$ 17,538
Other Rev.-Other Agencies	799,143	466,630	513,853	455,550	306,875
Total Other Agencies	$ 816,025	$ 481,630	$ 530,710	$ 472,744	$ 324,413
RCSD Programs	$ 5,317,450	$ 5,522,584	$ 5,552,511	$ 5,742,573	$ 6,043,649
Gen Admin Overhd	1,140,020	1,198,871	1,200,076	1,260,075	1,323,077
Fire Fees	246,831	251,940	260,683	268,397	276,165
Other Charges For Current Services	747,418	659,511	657,471	690,305	692,947
Total Current Services	$ 7,451,719	$ 7,632,906	$ 7,670,741	$ 7,961,350	$ 8,335,838
Interest Earnings	$ 109,015	$ 53,480	$ 76,587	$ 80,585	$ 107,107
CCC/Gavilan Rent	871,401	781,820	879,250	874,020	932,986
Other Rentals	249,789	229,829	177,676	188,548	202,290
Miscellaneous	1,246,738	405,299	619,554	475,408	348,559
Total Other Revenue	$ 2,476,943	$ 1,470,429	$ 1,753,067	$ 1,618,561	$ 1,590,942
Transfer From Street Maint.	$ 735,565	$ 689,798	$ 739,470	$ 762,581	$ 761,458
Transfer From Park Maint	-	-	-	-	-
Transfer From Sewer/Water	683,319	685,818	685,818	690,000	694,050
Transfer From Public Safety	100,000	100,000	112,029	100,000	125,000
Transfer From RDA	50,000	60,000	60,000	75,000	75,000
Transfer From Other Funds	-	-	-	-	-
Total Transfers In	$ 1,568,884	$ 1,535,616	$ 1,597,317	$ 1,627,581	$ 1,655,508
Total General Fund	**$ 35,019,620**	**$ 33,760,625**	**$ 35,986,780**	**$ 36,200,537**	**$ 37,137,688**

Summary of Revenues & Transfer In (continued)

		14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Special Revenue Funds						
202	Street Fund	$ 737,392	$ 690,311	$ 739,507	$ 761,518	$ 761,530
205	Supplemental Law Enforce. Fund	107,546	100,300	100,437	100,265	100,395
	Planning	1,556,553	1,292,307	1,009,965	1,117,359	1,131,051
	Building	2,380,713	2,477,376	2,392,469	2,507,862	1,937,862
	Engineering	823,164	896,127	860,250	741,563	601,640
	Other Revenue	288,277	22,110	32,008	11,840	9,417
206	Community Development Fund	5,048,708	4,687,920	4,294,692	4,378,624	3,679,970
207	General Plan Update Fund	947,500	902,088	907,666	658,035	706,212
210	Com Rec Centers Startup Fund	2	2	2	1	2
215	CDBG Fund	137,682	77,952	82,169	70,000	-
216	CDBG Revolving Loan Fund	4,782	-	5,814	278	417
225	Asset Seizure Fund	14,893	7,809	1,573	167	250
229	Lighting & Landscape Fund	182,810	184,560	184,850	185,810	187,321
230	Community Facilities District	8	39,448	40,604	41,999	43,340
232	Environmental Programs Fund	292,475	229,214	297,089	382,640	382,164
234	Mobile Home Park Rent Fund	3,799	5,146	3,783	3,831	3,931
235	Senior Housing Trust Fund	1,559	1,078	1,364	1,089	1,633
236	Housing Mitigation Fund	1,610,535	897,650	1,887,403	1,601,328	842,443
240	Employee Assistance Fund	25,893	37,710	28,263	30,298	30,966
247	Environment Remediation Fund	1,610	1,041	922	736	1,104
250	COMH Successor to MHRDA	8,766,909	7,001,993	10,605,645	7,343,954	7,131,889
255	Successor Housing Agency	760,873	1,651,918	1,954,867	1,251,430	1,285,374
Total Special Revenue Funds		**$ 18,644,977**	**$ 16,516,141**	**$ 21,136,652**	**$ 16,812,003**	**$ 15,158,941**
Capital Project Funds						
301	Park Impact Fund	$ 1,212,379	$ 4,046,290	$ 2,136,282	$ 1,850,595	$ 1,439,640
302	Park Maintenance Fund	979,521	1,046,730	1,414,615	1,038,123	888,026
303	Drainage Impact Fund	1,233,722	2,070,189	1,511,090	1,624,857	1,822,884
304	Drainage-Non AB1600 Fund	108,631	126,300	107,321	84,735	70,894
306	Open Space Fund	1,176,826	624,120	1,525,305	1,943,781	1,539,970
308	Street CIP	1,173,778	3,275,917	1,579,340	2,731,146	1,357,235
309	Traffic Impact Fund	591,430	1,077,631	976,055	1,360,910	1,348,287
311	Police Impact Fund	154,994	360,359	320,716	272,506	256,218
313	Fire Impact Fund	60,827	83,822	87,119	139,152	94,577
346	Public Facilities (Non AB1600) Fund	191,785	756,456	1,026,249	786,626	617,956
347	Public Facilities Impact Fund	104,119	254,256	228,579	182,245	171,217
348	Library Impact Fund	539,622	975,444	973,610	813,403	1,250,509
350	Undergrounding Fund	125,861	1,105,529	2,263	1,104,276	53,236
355	School Ped & Traffic Safety Fund	457,997	725,851	508,362	666,766	544,341
360	Com Rec Centers Impact Fund	505	353	293,405	1,249,999	985,274
Total Capital Project Funds		**$ 8,111,770**	**$ 16,529,265**	**$ 12,690,312**	**$ 15,849,120**	**$ 12,440,264**

Summary of Revenues & Transfer In (continued)

		14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Debt Service Funds						
420	Civic Center Debt	$ 408,344	$ 410,405	$ 408,931	$ 301,123	$ 297,408
441	Police Facility Bond Debt Service	470,639	476,698	466,398	378,121	385,373
545	Cochrane Business Park AD Fund	80	55	70	56	84
Total Debt Service Funds		**$ 879,063**	**$ 887,158**	**$ 875,399**	**$ 679,300**	**$ 682,865**
Enterprise Funds						
640	Sewer Operations Fund	$ 19,278,628	$ 9,936,045	$ 10,127,227	$ 10,403,329	$ 10,834,510
641	Sewer Impact Fund	3,106,184	6,841,445	4,927,400	5,732,828	4,787,227
642	Sewer Rate Stablization Fund	15,676	6,227	1,221,284	9,237	15,702
643	Sewer System Replacement Fund	16,288,851	606,592	3,522,157	2,670,698	2,424,509
650	Water Operations Fund	8,820,302	8,584,646	8,812,726	9,998,609	12,222,722
651	Water Impact Fund	789,820	1,677,529	1,497,894	1,309,429	1,198,928
652	Water Rate Stabilization Fund	268	183	859	501,248	505,618
653	Water System Replacement Fund	1,133,770	1,276,754	1,093,638	953,461	1,351,992
Total Enterprise Funds		**$ 49,433,499**	**$ 28,929,420**	**$ 31,203,184**	**$ 31,578,839**	**$ 33,341,208**
Internal Service Funds						
730	Information Systems Fund	$ 1,075,756	$ 1,265,583	$ 1,266,961	$ 1,592,348	$ 1,592,812
740	Building Maintenance Fund	2,893,526	3,284,035	3,267,493	3,014,227	3,066,615
741	Building Replacement Fund	421,871	428,957	441,620	450,969	487,008
745	CIP Administration Fund	1,483,937	1,726,244	1,697,941	1,820,194	1,869,109
760	Unemployment Insurance Fund	1,487	1,005	1,180	831	1,094
770	Worker's Comp Fund	499,905	998,899	666,084	735,723	763,390
790	Equipment Replacement Fund	566,828	1,276,004	1,281,751	994,315	974,418
791	Employee Benefits Fund	629,522	1,453,161	1,034,933	1,193,659	924,676
795	General Liab. Insurance Fund	1,233,614	1,125,049	1,127,166	854,937	941,342
Total Internal Service Funds		**$ 8,806,445**	**$ 11,558,937**	**$ 10,785,128**	**$ 10,657,203**	**$ 10,620,464**
Agency Funds						
820	Special Deposits	$ 6,939	$ 4,724	$ 6,108	$ 36	$ 53
830	Downtown MH PBID	942	653	674	(92)	(137)
843	MH Business Ranch 1998 AD Fund	812,744	939,328	802,123	290,779	738,448
844	MH Ranch Reassessment 2004 Fund	279	186	244	195	292
845	Madrone BP (Tax Exempt) Fund	928,429	802,803	733,359	312,298	665,702
846	Madrone BP (Taxable) Fund	120,462	116,242	103,292	52,696	82,461
848	Tennant Ave Business Park AD Fund	4,128	2,855	3,611	2,883	4,324
881	Police Donation Trust Fund	395	127	168	127	191
Total Agency Funds		**$ 1,874,319**	**$ 1,866,917**	**$ 1,649,580**	**$ 658,922**	**$ 1,491,334**
TOTAL ALL FUNDS		**$ 122,769,693**	**$ 110,048,463**	**$ 114,327,035**	**$ 112,435,923**	**$ 110,872,764**

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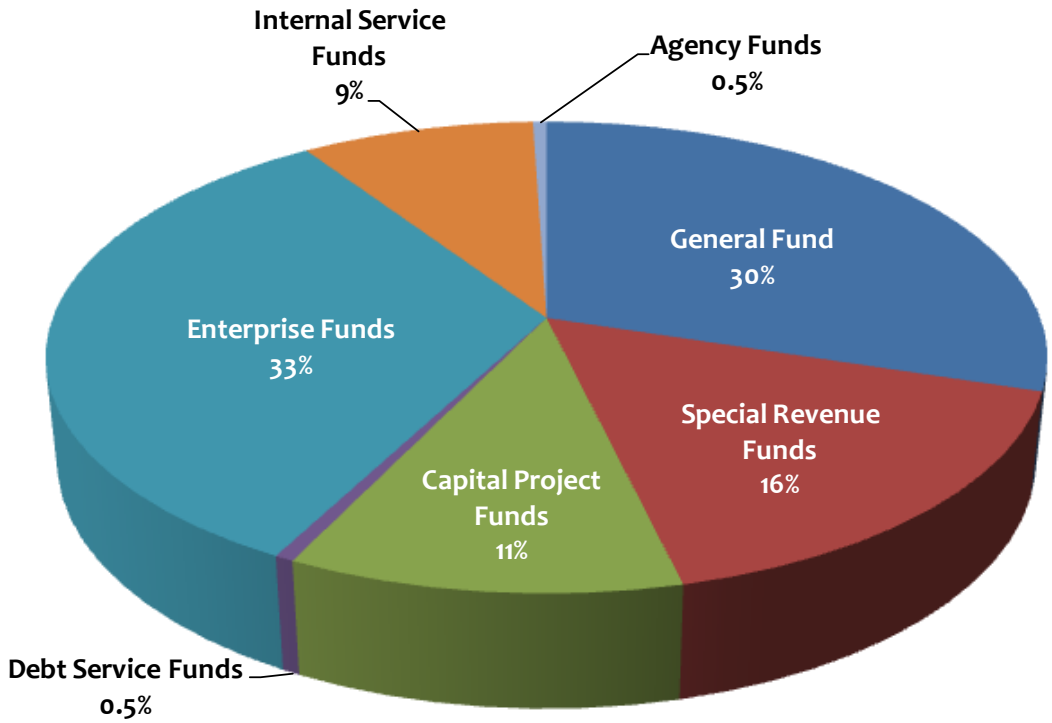
Expenditures Summary Charts

FY 2016-17

Total City Expenditures by Fund Type

$ 126.2 million



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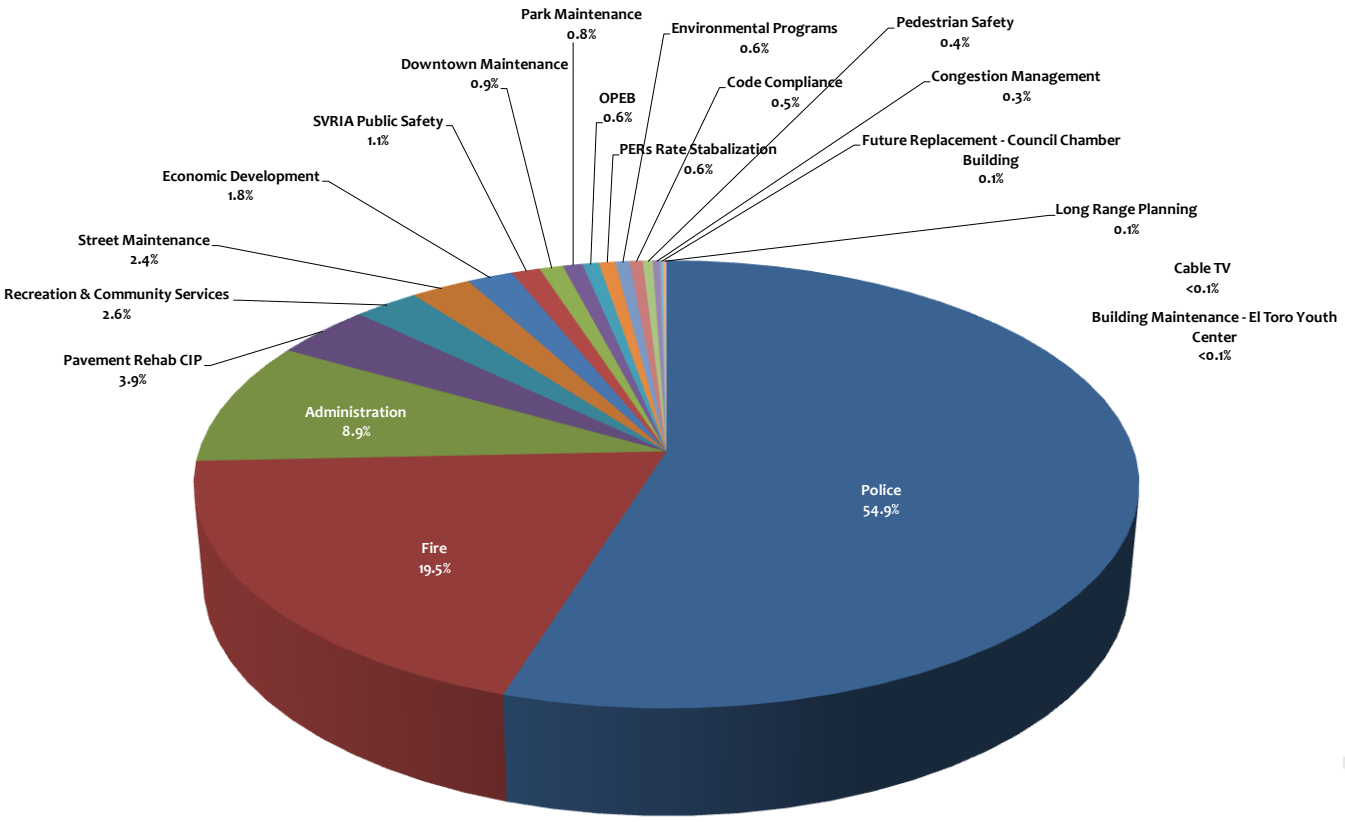
Expenditures Summary Charts (continued)

FY 2016-17

General Fund Discretionary Expenditures

$25.8 million



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Summary of Expenditures & Transfer Out

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
General Fund by Program					
City Council	$ 229,243	$ 377,348	$ 342,757	$ 293,116	$ 334,365
City Attorney	501,902	824,228	715,771	691,442	732,729
Transfers Out	928,150	1,863,302	1,867,277	2,064,119	1,901,915
City Manager	371,275	806,925	678,076	879,385	997,579
City Manager Housing	1,010,000	-	-	-	-
RCSD Membership Services	4,799,505	5,430,020	5,105,877	5,529,949	5,705,469
Facility Services	1,148,312	1,165,700	1,181,200	1,250,321	1,299,184
Community Services	384,140	588,216	533,501	719,212	753,414
Human Resources	578,740	589,209	584,323	720,771	709,787
Council Services and Records Management	583,199	608,543	559,791	577,126	601,195
Elections	89,772	23,195	100,421	165,522	30,669
Finance	1,281,316	1,404,331	1,481,141	1,535,461	1,610,125
Code Compliance	-	-	-	135,689	141,628
PD Administration	924,892	1,254,053	1,291,411	1,129,063	1,163,352
PD Field Operations	6,501,076	6,684,403	6,784,619	7,542,259	7,728,534
PD Support Services	1,915,893	2,062,690	2,007,849	2,062,201	2,086,255
PD Emergency Services	157,754	171,609	167,703	174,242	179,862
PD Special Operations	2,283,901	2,704,195	2,501,512	2,685,665	2,779,970
Domestic Violence Grant	237,160	-	-	-	-
Fire Services	4,842,533	5,352,951	4,912,935	5,288,996	5,773,473
Cable Television	49,236	43,649	44,875	48,258	49,444
Park Maintenance	(9,524)	-	-	-	-
Downtown Maintenance	22,584	104,156	50,500	241,610	273,020
Environmental Programs	199,887	377,544	327,881	270,064	277,102
Street Maintenance	2,633,380	1,984,006	1,975,763	2,064,401	2,131,389
Congestion Manangement	70,032	75,116	71,705	75,219	77,569
Dispatch Services	1,362,799	1,403,374	1,469,232	1,639,601	1,694,976
Total General Fund	**$ 33,097,159**	**$ 35,898,763**	**$ 34,756,119**	**$ 37,783,691**	**$ 39,033,006**

General Fund by Department/Division					
City Council	$ 229,243	$ 377,348	$ 342,757	$ 293,116	$ 334,365
City Attorney	501,902	824,228	715,771	691,442	732,729
City Manager	371,275	806,925	678,076	879,385	997,579
City Manager Housing	1,010,000	-	-	-	-
Administrative Services	2,533,028	2,625,279	2,725,675	2,998,880	2,951,776
Community Services	9,227,521	9,693,292	9,219,597	10,123,815	10,489,022
Police	13,383,476	14,280,324	14,222,326	15,233,030	15,632,950
Fire	4,842,533	5,352,951	4,912,935	5,288,996	5,773,473
Community Development/Code Compliance	-	-	-	135,689	141,628
Public Works	70,032	75,116	71,705	75,219	77,569
Transfers	928,150	1,863,302	1,867,277	2,064,119	1,901,915
Total General Fund	**$ 33,097,159**	**$ 35,898,763**	**$ 34,756,119**	**$ 37,783,691**	**$ 39,033,006**

Summary of Expenditures & Transfer Out (continued)

		14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Special Revenue Funds						
202	Street Fund	$ 737,312	$ 691,632	$ 741,304	$ 764,507	$ 763,480
205	Supplemental Law Enforcement Fund	100,000	100,000	112,029	100,000	100,000
	Planning Division	$ 2,501,335	$ 3,149,872	$ 2,730,169	$ 2,129,876	$ 2,186,351
	Building Division	1,351,781	1,544,811	1,645,805	1,844,653	1,786,183
	PW-Engineering	770,499	942,729	914,288	1,142,611	1,172,408
206	Community Development Fund	$ 4,623,614	$ 5,637,412	$ 5,290,262	$ 5,117,141	$ 5,144,941
207	General Plan Update Fund	652,111	901,073	594,677	742,028	669,590
210	Community Rec Centers Startup Fund	-	-	-	-	-
215	CDBG Fund	141,949	77,000	77,000	70,000	-
216	CDBG Revolving Loan Fund	-	-	-	-	-
225	Asset Seizure Fund	-	-	-	-	-
229	Lighting & Landscape Fund	159,315	193,007	167,766	197,192	183,031
230	Community Facilities District Fund	6,612	30,284	5,583	42,432	43,411
232	Environmental Programs Fund	340,783	301,956	271,738	331,142	345,420
234	Mobile Home Park Rent Fund	738	801	801	840	880
235	Senior Housing Trust Fund	-	-	-	-	-
236	Housing Mitigation Fund	3,642,807	3,771,348	2,040,940	3,081,079	1,294,171
240	Employee Assistance Fund	21,252	51,131	31,131	41,188	41,247
247	Environment Remediation Fund	77,823	-	-	-	-
250	COMH Successor to MHRDA	18,890,217	19,546,222	27,417,460	7,358,974	7,154,420
255	Succesor Housing Agency	294,220	620,193	688,352	2,785,307	1,933,540
Total Special Revenue Funds		**$ 29,688,753**	**$ 31,922,059**	**$ 37,439,042**	**$ 20,631,829**	**$ 17,674,130**
Capital Project Funds						
301	Park Impact Fund	$ 340,339	$ 11,424,265	$ 6,624,777	$ 5,274,742	$ 2,700,150
302	Park Maintenance Fund	1,004,512	1,025,413	930,724	924,698	933,151
303	Drainage Impact Fund	136,100	94,994	108,526	13,502	33,698
304	Drainage-Non AB1600 Fund	56,359	109,712	146,435	54,922	155,141
306	Open Space Fund	17,167	979,972	609,972	1,449,843	1,367,224
308	Street CIP	2,238,554	3,836,953	2,513,508	2,710,690	1,356,211
309	Traffic Impact Fund	270,161	1,460,873	1,403,322	1,032,805	3,023,050
311	Police Impact Fund	241,861	243,551	243,370	270,999	228,859
313	Fire Impact Fund	105,226	105,153	26,256	26,316	615,477
346	Public Facilities (Non AB1600)	613,594	1,779,584	1,992,545	309,863	45,041
347	Public Facilities Impact Fund	50,919	41,253	41,133	431,177	1,223
348	Library Impact Fund	248,347	567,601	567,180	329,913	3,543,814
350	Undergrounding Fund	6,646	1,205,460	1,065,460	513	539
355	School Pedestrian & Traffic Safety Fund	291,057	1,021,802	630,039	939,410	874,598
360	Community Rec. Centers Impact Fund	11,680	57,393	59,263	-	160,000
Total Capital Project Funds		**$ 5,673,653**	**$ 23,953,979**	**$ 16,962,510**	**$ 13,769,393**	**$ 15,038,175**

• CITY OF MORGAN HILL • FY 16-17 and 17-18 • OPERATING AND CIP BUDGET • CITY OF MORGAN HILL • FY 16-17 and 17-18 • OPERATING AND CIP BUDGET • CITY OF MORGAN HILL • FY 16-17 and 17-18 •

Summary of Expenditures & Transfer Out (continued)

		14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Debt Service Funds						
420	Civic Center Debt	$ 337,502	$ 340,112	$ 340,196	$ 298,643	$ 297,423
441	Police Facility Bond Debt Service	452,938	455,547	455,641	377,578	383,610
Total Debt Service Funds		**$ 790,440**	**$ 795,659**	**$ 795,837**	**$ 676,221**	**$ 681,033**
Enterprise Funds						
640	Sewer Operations Fund	$ 21,147,491	$ 9,942,341	$ 11,613,663	$ 10,639,370	$ 10,742,171
641	Sewer Impact Fund	5,883,371	14,633,850	14,685,032	4,624,144	11,533,016
642	Sewer Rate Stablization Fund	3,369	3,643	3,537	3,714	3,900
643	Sewer System Replacement Fund	10,081,294	3,340,282	1,348,903	6,815,291	6,087,933
650	Water Operations Fund	9,299,286	10,398,873	9,963,379	10,835,550	11,944,088
651	Water Impact Fund	956,642	5,541,237	1,848,943	4,541,410	774,134
652	Water Rate Stabilization Fund	524	603	603	632	662
653	Water System Replacement Fund	3,175,451	8,151,245	3,870,816	4,091,761	1,350,215
Total Enterprise Funds		**$ 50,547,428**	**$ 52,012,073**	**$ 43,334,877**	**$ 41,551,872**	**$ 42,436,120**
Internal Service Funds						
730	Information Systems Fund	$ 945,358	$ 1,345,740	$ 1,264,726	$ 1,730,797	$ 1,473,508
740	Building Maintenance Fund	2,857,659	3,241,539	3,066,178	2,999,474	3,038,848
741	Building Replacement Fund	289,283	267,737	162,928	1,088,700	356,500
745	CIP Administration Fund	1,489,728	1,702,079	1,667,347	1,820,194	1,869,109
760	Unemployment Insurance Fund	19,668	36,050	20,000	20,000	20,400
770	Worker's Comp Fund	628,203	1,048,570	675,477	792,948	808,807
790	Equipment Replacement Fund	695,224	1,998,161	1,566,761	1,161,569	575,111
791	Employee Benefits Fund	548,274	412,000	516,400	537,056	558,538
795	General Liab. Insurance Fund	867,521	1,072,279	873,133	1,008,256	1,059,920
Total Internal Service Funds		**$ 8,340,918**	**$ 11,124,154**	**$ 9,812,950**	**$ 11,158,993**	**$ 9,760,741**
Agency Funds						
820	Special Deposits	$ -	$ -	$ -	$ -	$ -
830	Downtown PBID	-	-	-	-	-
843	MH Business Ranch 1998 AD Fund	1,152,108	858,565	802,293	287,412	733,397
844	MH Ranch Reassessment 2004 Fund	120	2,532	-	-	-
845	Madrone BP (Tax Exempt) Fund	745,260	742,131	722,531	308,851	660,531
846	Madrone BP (Taxable) Fund	109,042	105,700	102,934	52,166	81,603
881	Police Donation Trust Fund	360	-	-	-	-
Total Agency Funds		**$ 2,006,890**	**$ 1,708,928**	**$ 1,627,758**	**$ 648,429**	**$ 1,475,531**
TOTAL ALL FUNDS		**$ 163,242,400**	**$ 193,314,379**	**$ 179,485,214**	**$ 126,220,430**	**$ 126,098,737**

Interfund Transfers FY 16-17 and 17-18

	Transfer to	Transfer from		FY 16-17	FY 17-18	Description
010	**General Fund**					
		202	Street Maintenance Fund	$ 762,581	$ 761,458	Streets Maintenance and Fuel Tax Transfers
		205	Supplemental Law Enforcement Fund	100,000	100,000	Public Safety Funding Support
		301	Park Development Fund	75,000	75,000	Community Services Department
		311	Police Impact	-	25,000	Loan Repayment
		640	Sewer Operations Fund	345,000	347,025	Street Maintenance Costs/Dispatch
		650	Water Operations Fund	345,000	347,025	Street Maintenance Costs/Dispatch
				$ 1,627,581	**$ 1,655,508**	
207	**General Plan Update**					
		010	General Fund	$ 23,100	$ 23,100	General Plan Update/HCP Costs
		236	Housing Mitigation Fund	7,700	7,700	General Plan Update/HCP Costs
		301	Park Development Fund	7,700	7,700	General Plan Update/HCP Costs
		303	Drainage Impact Fund	7,700	7,700	General Plan Update/HCP Costs
		306	Agriculture Preservation and Open Space Fund	16,500	16,500	General Plan Update/HCP Costs
		309	Traffic Impact Fund	31,900	31,900	General Plan Update/HCP Costs
		641	Sewer Impact Fund	7,700	7,700	General Plan Update/HCP Costs
		651	Water Impact Fund	7,700	7,700	General Plan Update/HCP Costs
				$ 110,000	**$ 110,000**	
232	**Environmental Programs Fund**					
		010	General Fund	78,690	81,951	Stormwater Pollution Prevention
		206	Community Development Fund	78,690	81,951	Stormwater Pollution Prevention
		640	Sewer Operations Fund	78,690	81,951	Stormwater Pollution Prevention
		650	Water Operations Fund	78,690	81,951	Stormwater Pollution Prevention
				$ 314,760	**$ 327,804**	
302	**Park Maintenance Fund**					
		010	General Fund	**$ 200,000**	**$ 200,000**	Park Maintenance Costs
308	**Streets CIP Fund**					
		010	General Fund	**$ 1,000,000**	**$ 1,000,000**	General Fund CIP
313	**Fire Impact Fund**					
		311	Police Impact	**$ 70,370**	**$ -**	Loan Repayment
348	**Library Impact Fund**					
		313	Fire Impact	**$ -**	**$ 589,098**	Loan Repayment
355	**School Pedestrian and Traffic Safety Fund**					
		010	General Fund	**$ 100,000**	**$ 100,000**	General Fund CIP
420	**Civic Center Debt Service Fund**					
		010	General Fund	$ 24,071	$ 27,747	Development Services Center Debt Service
		206	Community Development Fund	22,501	25,937	Development Services Center Debt Service
		207	Long Range Planning	1,047	1,206	Development Services Center Debt Service
		250	Successor Agency Administration	27,500	14,779	Development Services Center Debt Service
		348	Library Impact Fund	212,535	211,365	Library Debt Service
		650	Water Operations Fund	4,186	4,826	Development Services Center Debt Service
		730	Information Services	1,047	1,206	Development Services Center Debt Service
		745	CIP Admin Fund	5,756	6,635	Development Services Center Debt Service
				$ 298,643	**$ 293,701**	
441	**Police Facility Debt Service Fund**					
		010	General Fund	$ 176,139	$ 178,912	Police Station Debt Service
		311	Police Impact Fund	199,361	202,546	Police Station Debt Service
				$ 375,500	**$ 381,458**	

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Interfund Transfers FY 16-17 and 17-18 (continued)

	Transfer to	Transfer from		FY 16-17	FY 17-18	Description
643	**Sewer System Replacement Fund**					
		640	Sewer Operations Fund	**$ 2,639,485**	**$ 2,392,810**	Sewer CIP/Debt Service on Sewer Bonds
650	**Water Operations Fund**					
		640	Sewer Operations Fund	**$ 401,799**	**$ 415,544**	Sewer Share of Utility Billing Costs
652	**Water Rate Stablization Fund**					
		650	Water Operations Fund	**$ 500,000**	**$ 500,000**	Water Rate Stablization
653	**Water System Replacement Fund**					
		650	Water Operations Fund	**$ 945,549**	**$ 1,351,771**	Water CIP/Debt Service on Water Bonds
740	**Building Maintenance Fund**					
		010	General Fund	$ 9,781	$ 10,028	El Toro Youth Center
741	**Building Replacement Fund**					
		010	General Fund	**$ 29,362**	**$ 30,243**	El Toro Youth Center/Old City Hall
790	**Equipment Replacement Fund**					
		010	General Fund	**$ 300,000**	**$ 300,000**	SVRIA
791	**Employee Benefits Fund**					
		010	General Fund	$ 333,186	$ 166,593	OPEB/PERs Stabalization
			Various Funds	266,816	133,409	OPEB/PERs Stabalization
				$ 600,002	**$ 300,002**	
			Total Transfers	**$ 9,522,832**	**$ 9,957,967**	

Internal Service Charges

Internal service charges account for the financing of goods or services provided by one City department to other departments within the City on a cost reimbursement basis.

Internal service funds accumulate costs related to the services provided, and then the costs are allocated to the department receiving the goods and/or services based on the quantity of service received.

Charges To Departments	Liability Insurance	Building Maint	Building Replacement	Vehicle Replacement	Information Systems	GF Admin	TOTAL
City Council	13,893	6,573	565	-	17,045	-	38,076
City Attorney	7,447	17,616	1,694	-	24,350	-	51,107
City Manager	8,058	19,062	1,129	-	9,740	-	37,990
Recreation Memberships	16,190	1,438,578	154,827	10,561	269,473	-	1,889,629
Recreation Facility Rentals	8,197	570,548	69,856	-	29,220	-	677,821
Community Services	6,446	50,153	1,129	-	51,135	-	108,863
Human Resources	9,447	19,062	1,129	-	21,103	-	50,742
Council Services and Records Management	12,532	29,645	1,694	-	28,408	-	72,279
Elections	278	657	-	-	-	-	935
Finance	24,536	51,468	5,647	-	114,867	-	196,518
Code Compliance	2,779	6,573	-	-	-	-	9,352
PD Administration	14,354	-	-	-	-	-	14,354
PD Field Services	107,657	-	-	219,002	-	-	326,659
PD Support	23,685	341,171	76,595	-	525,148	-	966,599
PD Emergency Services	3,589	-	-	-	-	-	3,589
PD Special Operations	35,886	-	-	-	-	-	35,886
Fire	31,004	657	61,800	52,105	13,798	-	159,365
Cable TV	278	329	-	-	-	-	607
Downtown Maintenance	1,528	-	10,300	-	-	-	11,828
Environmental Programs	2,223	2,958	-	-	12,175	-	17,356
Street Maintenance	112,516	36,215	1,123	116,805	17,045	-	283,704
Congestion Management	695	1,643	-	-	-	-	2,338
Dispatch Services	32,297	-	-	-	-	-	32,297
Street CIP	-	-	-	-	-	1,926	1,926
Planning	20,127	47,590	4,517	-	76,394	146,705	295,333
Building	25,849	47,721	3,953	18,759	68,959	91,839	257,080
Engineering	12,678	16,433	3,106	-	56,362	63,581	152,160
General Plan Update	5,002	11,832	-	-	-	31,591	48,425
Lighting & Landscape Dist.	660	575	-	-	-	9,468	10,703
Community Facilities District	139	329	-	-	-	1,260	1,728
Stormwater Poll. Prevent.	4,446	8,874	-	-	8,117	6,227	27,663
Mobile Home Stabilization	-	-	-	-	-	814	814
Housing Mitigation	6,457	14,592	565	-	-	54,037	75,652
Employee Assistance	-	-	-	-	-	1,188	1,188
Successor Agency Administration	2,084	4,930	-	-	-	-	7,014
Successor Housing Agency	4,168	9,860	-	-	11,363	79,775	105,166
Page Subtotal	**557,125**	**2,755,646**	**399,628**	**417,232**	**1,354,703**	**488,411**	**5,972,745**

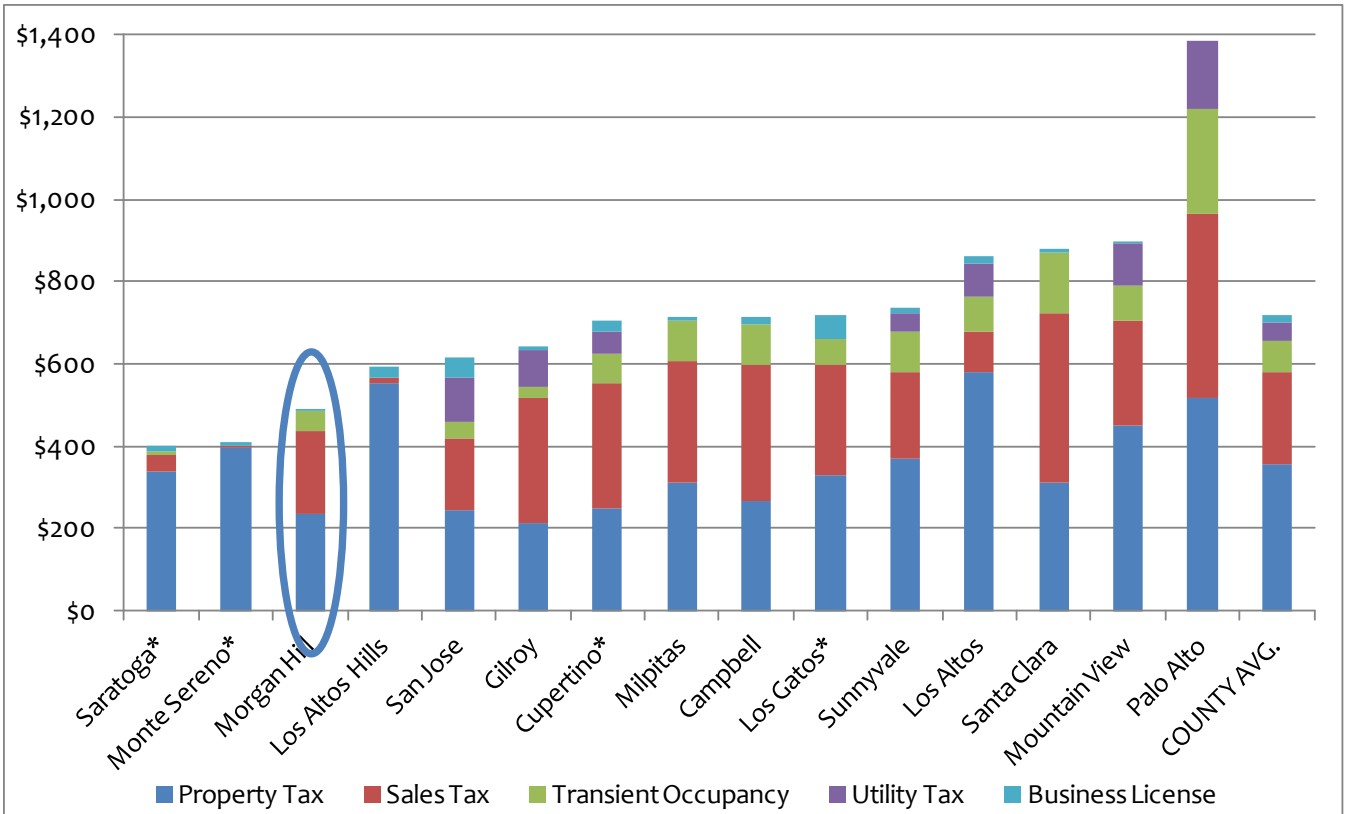
• CITY OF MORGAN HILL • FY 16-17 and 17-18 • OPERATING AND CIP BUDGET • CITY OF MORGAN HILL • FY 16-17 and 17-18 • OPERATING AND CIP BUDGET • CITY OF MORGAN HILL • FY 16-17 and 17-18 •

Internal Service Charges (continued)

Charges To Departments	Liability Insurance	Building Maint	Building Replacement	Vehicle Replacement	Information Systems	GF Admin	TOTAL
Parks CIP	-	-	-	-	-	28,169	28,169
Park Maintenance	11,932	13,540	368	13,125	-	57,893	96,858
Drainage Impact	-	-	-	-	-	3,928	3,928
Drainage Non-AB 1600	-	-	-	-	-	4,389	4,389
Open Space	-	-	-	-	-	3,796	3,796
Street CIP	-	-	-	-	-	10,424	10,424
Traffic Impact	-	-	-	-	-	4,900	4,900
Police Impact	-	-	-	-	-	896	896
Fire Impact	-	-	-	-	-	1,262	1,262
Public Facility (non-AB 1600)	-	-	-	-	-	3,551	3,551
Public Facility CIP	-	-	-	-	-	928	928
Library Impact	-	-	-	-	-	1,421	1,421
Underground CIP	-	-	-	-	-	513	513
School Pedestrian	-	-	-	-	-	3,769	3,769
Civic Center Debt	-	-	-	-	-	1,105	1,105
Police Facility Debt	-	-	-	-	-	2,267	2,267
Sewer Operations	57,655	46,558	1,372	114,995	71,427	203,754	495,760
Sewer Impact	-	-	-	-	-	13,285	13,285
Sewer Rate Stabilization	-	-	-	-	-	3,714	3,714
Sewer System Replacement	-	-	-	-	-	4,092	4,092
Water Operations	80,113	85,587	2,750	131,507	132,302	215,810	648,069
Utility Billing	9,142	20,969	1,129	-	17,857	47,956	97,053
Water Conservation	556	986	-	-	4,870	5,412	11,824
Water Impact	-	-	-	-	-	3,764	3,764
Water Rate Stabilization	-	-	-	-	-	577	577
Water System Replacement	-	-	-	-	-	3,628	3,628
Information Systems	11,392	26,950	2,369	-	-	-	40,711
Communications and Engagement	2,779	6,573	-	-	-	-	9,352
Building Maint. - CCC	20,846	-	-	-	-	-	20,846
Building Maint. - Aqtcs	6,813	-	-	-	-	-	6,813
Building Maint. - IRC	20,227	-	-	-	-	-	20,227
Building Maint. - PD	14,306	-	-	-	-	-	14,306
Building Maint. - City Hall	17,759	-	-	-	-	-	17,759
Building Maint. - DSC	5,479	-	-	-	-	-	5,479
Building Maintenance-Friendly Inn	1,680	-	-	-	-	-	1,680
Building Maintenance-El Toro Youth Center	545	-	-	-	-	-	545
Building Maint. - PW	5,349	-	-	-	-	-	5,349
CIP Administration	26,305	43,120	3,106	-	10,097	129,319	211,947
General Liability Insurance	-	3,287	-	-	-	-	3,287
MH Business Ranch 1998 AD	-	-	-	-	-	3,721	3,721
Madrone BP (Tax Exempt)	-	-	-	-	-	3,439	3,439
Madrone BP Taxable	-	-	-	-	-	1,323	1,323
TOTAL	**850,003**	**3,003,216**	**410,722**	**676,859**	**1,591,255**	**1,257,416**	**7,789,471**

Comparison of Municipalities

Property Tax, Sales Tax, Transient Occupancy Tax, Business License, and Utility User Tax



FY 14-15 Actual

* Does not include Property Tax for Special Fire District

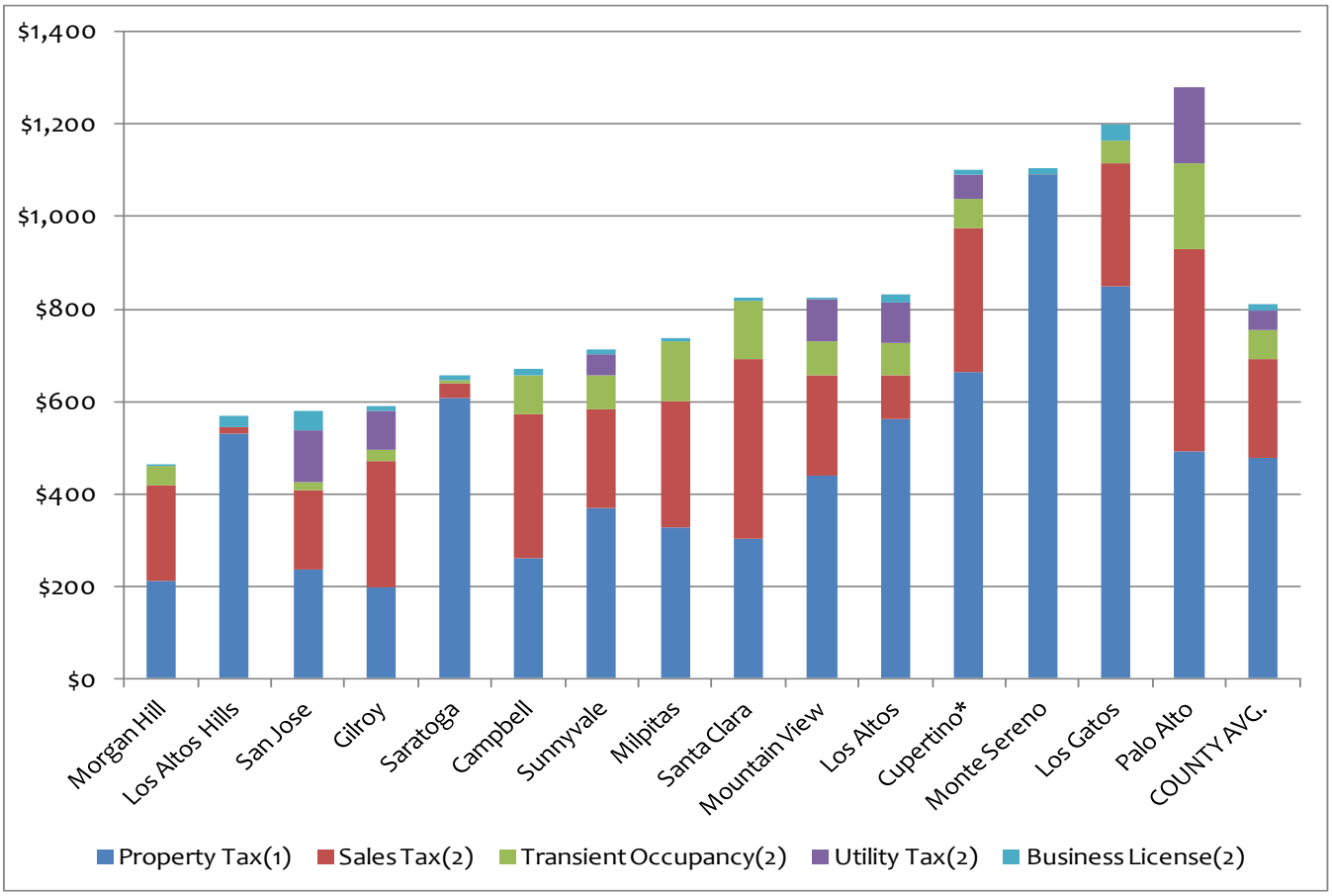
City	Population	Property Tax		Sales Tax		Transient Occupancy		Utility Tax		Business License	
		Amount	Per capita	Amount	Per capita	Amount	Per capita	Amount	Per capita	Amount	Per capita
Saratoga*	30,887	10,436,621	338	1,224,427	40	309,618	10	-	-	357,597	12
Monte Sereno*	3,700	1,462,590	395	15,917	4	-	-	-	-	36,644	10
Morgan Hill	41,779	9,833,512	235	8,467,396	203	2,062,260	49	-	-	183,857	4
Los Altos Hills	8,354	4,606,184	551	113,333	14	-	-	-	-	223,369	27
San Jose	1,016,000	247,258,000	243	180,407,000	178	36,980,000	36	112,645,000	111	47,431,000	47
Gilroy	52,413	11,248,288	215	15,858,911	303	1,501,837	29	4,520,149	86	622,760	12
Cupertino*	60,550	15,067,000	249	18,288,000	302	4,510,000	74	3,100,000	51	1,600,000	26
Milpitas	70,092	21,849,000	312	20,606,000	294	7,114,000	101	-	-	349,000	5
Campbell	41,993	11,240,729	268	13,915,291	331	4,091,923	97	-	-	662,787	16
Los Gatos*	30,505	10,087,210	331	8,202,678	269	1,896,721	62	-	-	1,779,307	58
Sunnyvale	148,028	54,940,570	371	31,218,980	211	14,137,069	96	6,774,027	46	1,845,883	12
Los Altos	30,036	17,479,883	582	2,942,764	98	2,450,487	82	2,522,536	84	453,201	15
Santa Clara	120,973	37,574,373	311	49,649,079	410	18,185,857	150	-	-	931,423	8
Mountain View	77,914	35,173,321	451	19,773,384	254	6,559,072	84	7,988,067	103	257,706	3
Palo Alto	66,029	34,117,000	517	29,675,000	449	16,699,000	253	10,861,000	164	-	-
COUNTY AVG.	119,950	$ 34,824,952	358	$ 26,690,544	224	$ 7,766,523	75	$ 9,894,052	43	$ 3,782,302	17

Source: Cities and the County of Santa Clara

2014-15 Actual Data

Comparison of Municipalities (with Central Fire District Tax Revenue)

Property Tax, Sales Tax, Transient Occupancy Tax, Business License, and Utility User Tax



City	Population	Property Tax(1) Amount	Property Tax(1) Per capita	Sales Tax(2) Amount	Sales Tax(2) Per capita	Transient Occupancy(2) Amount	Transient Occupancy(2) Per capita	Utility Tax(2) Amount	Utility Tax(2) Per capita	Business License(2) Amount	Business License(2) Per capita
Morgan Hill	**41,779**	**8,911,000**	**213**	**8,594,986**	**206**	**1,714,492**	**41**	**-**	**-**	**179,848**	**4**
Los Altos Hills	8,341	4,432,000	531	110,474	13	-	-	-	-	211,137	25
San Jose	1,016,479	239,499,000	236	173,412,000	171	17,812,000	18	114,486,000	113	45,501,000	45
Gilroy	53,000	10,545,000	199	14,423,130	272	1,234,798	23	4,468,346	84	576,470	11
Saratoga	30,799	$ 18,721,000	608	$ 941,350	31	$ 257,010	8	$ -	-	$ 336,911	11
Campbell	41,857	10,914,000	261	13,115,263	313	3,417,412	82	-	-	647,873	15
Sunnyvale	148,028	54,677,000	369	31,675,532	214	10,858,671	73	6,754,263	46	1,742,401	12
Milpitas	72,606	23,867,000	329	19,766,138	272	9,336,309	129	-	-	482,125	7
Santa Clara	120,973	36,829,000	304	46,735,959	386	15,140,910	125	-	-	874,135	7
Mountain View	77,914	34,341,000	441	16,935,700	217	5,594,900	72	7,226,400	93	267,700	3
Los Altos	30,036	16,875,000	562	2,809,490	94	2,168,556	72	2,600,033	87	475,298	16
Cupertino*	59,756	39,623,000	663	18,721,193	313	3,768,504	63	2,994,526	50	748,040	13
Monte Sereno	3,451	3,759,500	1,089	7,576	2	-	-	-	-	40,595	12
Los Gatos	30,505	25,955,000	851	8,029,571	263	1,512,846	50	-	-	1,130,020	37
Palo Alto	66,932	32,880,000	491	29,424,000	440	12,255,000	183	11,008,000	164	-	-
COUNTY AVG.	120,164	$ 37,455,233	476	$ 25,646,824	214	$ 5,671,427	63	$ 9,969,171	42	$ 3,547,570	15

Source: Cities and the County of Santa Clara
(1) - Property Tax Data for FY 2014-15 Projected
(2)- 2013-14 Actual Data

Personnel

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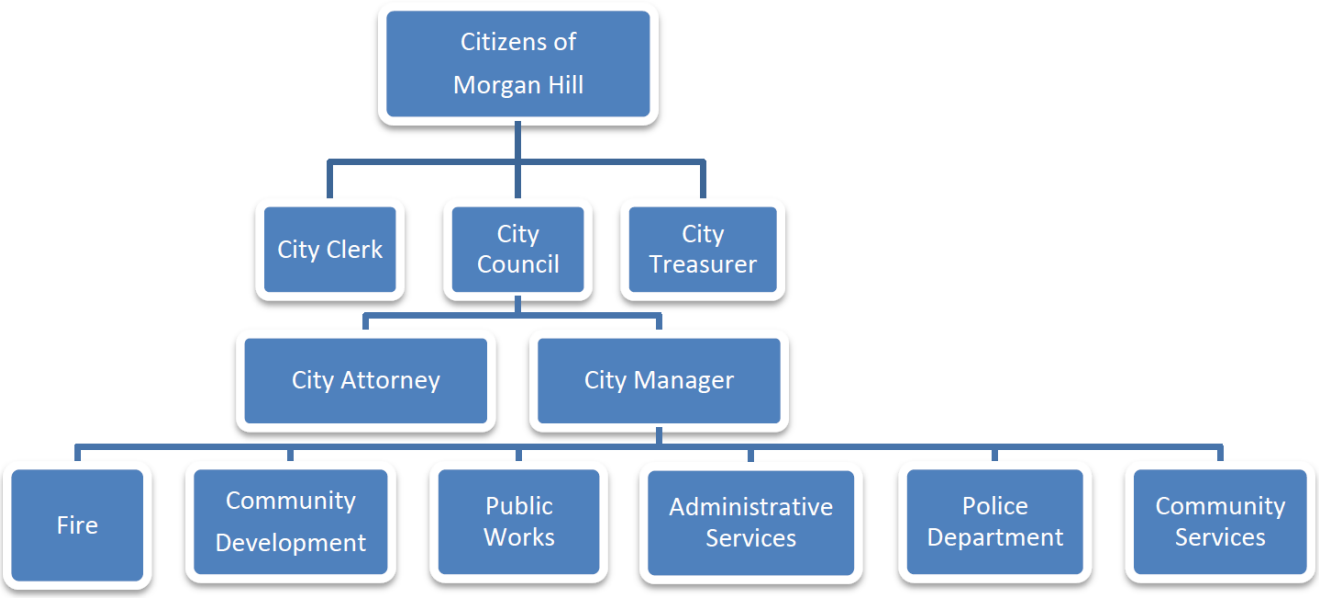
History of Health Benefit Costs.....119

City of Morgan Hill Organizational Chart



Personnel Summary by Programs

Title	Full-Time Equivalent FY 16-17 Adopted	Full-Time Equivalent FY 17-18 Adopted
City Council	5.0000	5.0000
City Attorney	2.6800	2.6800
City Manager	2.9000	3.0500
Membership Services and Recreation Programs	5.6500	5.6500
Facility Services	2.9500	2.9500
Community Services	2.3200	2.3200
Human Resources	3.4000	3.4000
Council Services and Records Management	3.5100	3.5100
Council Services and Records Management	1.0000	1.0000
Elections	0.1000	0.1000
Finance	7.8300	7.8300
Finance	1.0000	1.0000
Code Compliance	1.0000	1.0000
PD Administration	4.0000	4.0000
PD Field Operations	30.0000	30.0000
PD Support Services	6.6000	6.6000
PD Emergency Services	1.0000	1.0000
PD Special Operations	10.0000	10.0000
Fire	0.1000	0.1000
Cable Television	0.1000	0.1000
Downtown Maintenance	0.5500	0.5500
Environmental Services	0.8000	0.8000
Street Maintenance	5.7125	5.7125
Congestion Management	0.2500	0.2500
Dispatch Services	9.0000	9.0000
General Fund Total	**107.4525**	**107.6025**

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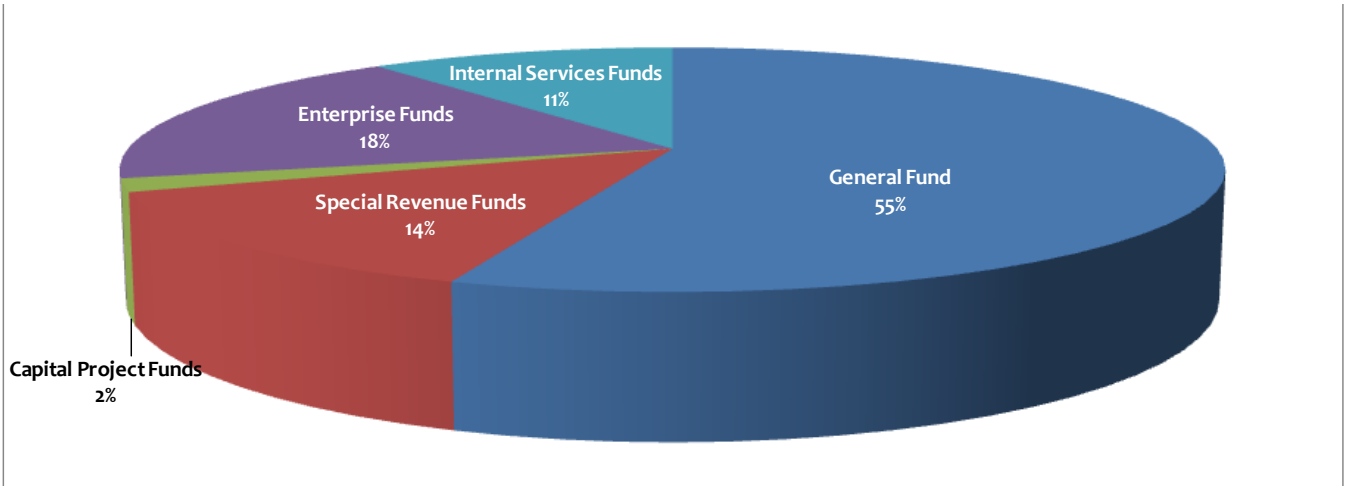
Personnel Summary by Programs (continued)

Title	Full-Time Equivalent FY 16-17 Adopted	Full-Time Equivalent FY 17-18 Adopted
Planning	7.2400	7.2400
Building	7.2600	7.2600
Engineering	4.2000	4.2000
Long Range Planning	1.8000	1.8000
Lighting and Landscape District	0.2375	0.2375
Communtiy Facilities District	0.0500	0.0500
Stormwater Pollution Prevention	1.6000	1.6000
Housing Mitigation	2.2200	2.3200
Successor Agency Administration	0.7500	0.4000
Housing Successor Agency	1.5000	1.6000
Park Maintenance	3.3875	3.3875
Sewer Operations	14.2600	14.2600
Water Operations	17.6300	17.6300
Utility Billing	3.2900	3.2900
Water Conservation	0.2000	0.2000
Information Services	4.1000	4.1000
Communications and Engagement	1.0000	1.0000
Building Maintenance CCC	1.2050	1.2050
Building Maintenance AC	1.2050	1.2050
Building Maintenance CRC	1.2925	1.2925
Building Maintenance Police Department	0.5900	0.5900
Building Maintenance Civic Center Campus (Formerly	0.4650	0.4650
Building Maintenance Civic Center Campus (Formerly	0.7150	0.7150
Building Maintenance Corporation Yard	0.5900	0.5900
Capital Project Implementation	8.7600	8.7600
General Liability Insurance	0.5000	0.5000
Non-General Fund Total	**86.0475**	**85.8975**
City Total	**193.5000**	**193.5000**

Personnel Summary by Fund

Fund	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
General Fund	99.94	104.44	107.45	107.60
Special Revenue Funds	24.16	24.20	26.86	26.71
Capital Project Funds	3.39	3.34	3.39	3.39
Enterprise Funds	34.99	35.39	35.38	35.38
Internal Services Funds	19.52	20.13	20.42	20.42
Total All Funds	**182.00**	**187.50**	**193.50**	**193.50**



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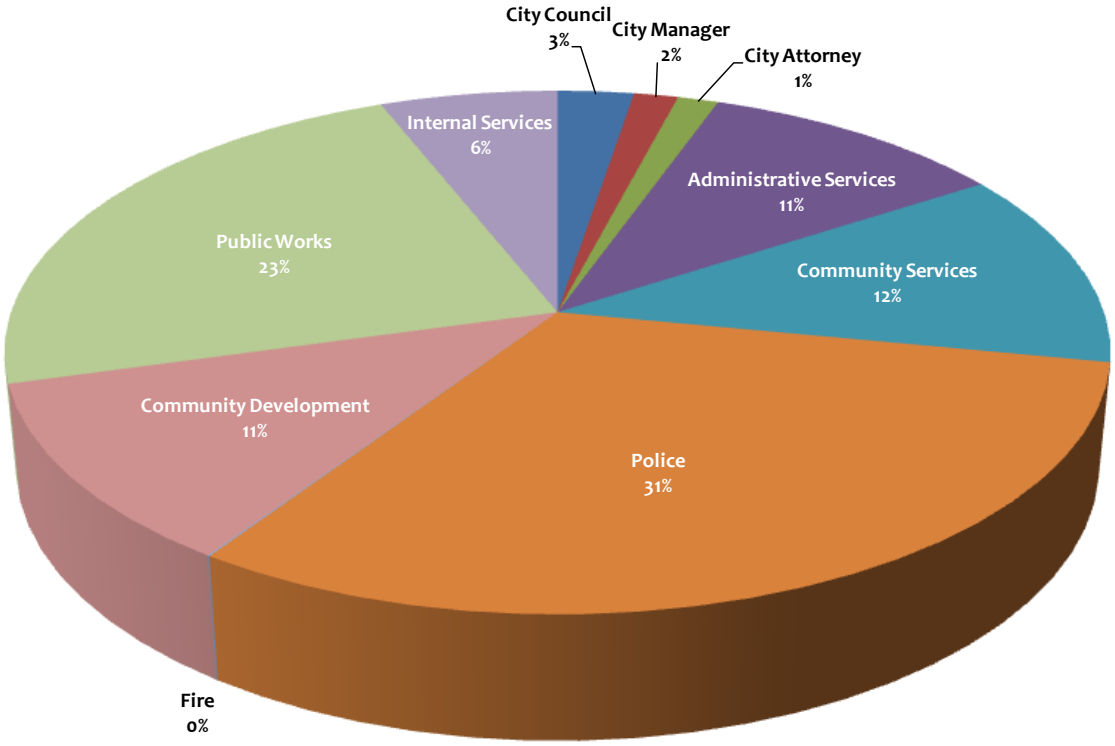
Personnel Summary by Department

Department	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
City Council	5.0000	5.0000	5.0000	5.0000
City Manager	1.4000	3.0000	2.9000	3.0500
City Attorney	2.6300	2.6300	2.6800	2.6800
Administrative Services	18.4000	19.1500	20.1300	20.1300
Community Services	21.7875	23.3375	23.5575	23.5575
Police	58.5000	59.5000	60.6000	60.6000
Fire	-	-	0.1000	0.1000
Community Development	19.7200	19.8700	21.7700	21.6200
Public Works	43.0900	43.0900	45.1000	45.1000
Internal Services	11.4725	11.9225	11.6625	11.6625
Total	**182.0000**	**187.5000**	**193.5000**	**193.5000**



Personnel Summary by Position

Position	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
Accountant I	2.00	2.00	2.00	2.00
Accounting Assistant I/II	4.00	5.00	5.00	5.00
Accounting Manager	-	-	1.00	1.00
Accounting Technician	1.00	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	1.00
Administrative Services Director	1.00	-	-	-
Assistant City Attorney	-	-	1.00	1.00
Assistant City Manager for Administrative Services	-	1.00	1.00	1.00
Assistant City Manager for Community Development	1.00	1.00	1.00	1.00
Assistant Finance Director	1.00	1.00	-	-
Assistant/Associate Engineer	3.00	4.00	4.00	4.00
Assistant/Associate Planner	2.00	2.00	2.00	2.00
Budget Manager	1.00	1.00	1.00	1.00
Building Inspector II	2.00	2.00	2.00	2.00
Building Inspector Supervisor	1.00	1.00	1.00	1.00
Building Manager	1.00	1.00	-	-
Building Official	-	-	1.00	1.00
City Attorney	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00
City Council	5.00	5.00	5.00	5.00
City Manager	1.00	1.00	1.00	1.00
City Treasurer	1.00	1.00	1.00	1.00
Code Enforcement Officer	1.00	1.00	1.00	1.00
Communication & Engagement Manager	1.00	1.00	1.00	1.00
Community Development Business Assistant	1.00	1.00	1.00	1.00
Community Development Director	1.00	1.00	1.00	1.00
Community Services Coordinator	1.00	1.00	1.00	1.00
Community Services Director	1.00	1.00	1.00	1.00
Community Services Supervisor	1.00	2.00	2.00	2.00
Council Services and Records Coordinator	1.00	1.00	-	-
Council Services and Records Manager	-	-	1.00	1.00
Council Services Assistant	1.00	1.00	1.00	1.00
Deputy City Attorney	1.00	1.00	-	-
Deputy Director for Utilities Services	1.00	1.00	1.00	1.00
Development Services Technician	3.00	3.00	3.00	3.00
Economic Development Coordinator	-	1.00	1.00	1.00
Economic Development Director	-	-	1.00	1.00
Economic Development Manager	1.00	1.00	-	-
Electrician	1.00	1.00	1.00	1.00
Emergency Services Coordinator	1.00	1.00	1.00	1.00
Engineering Aide I/II	2.00	2.00	2.00	2.00
Environmental Services Coordinator	1.00	1.00	1.00	1.00
Executive Assistant to the Chief of Police	1.00	1.00	1.00	1.00
Facilities Maintenance Specialist	3.00	3.00	3.00	3.00
Finance Director	-	-	1.00	1.00
Financial And Policy Anaylst	1.00	1.00	1.00	1.00
GIS Manager	-	-	1.00	1.00
Housing Manager	1.00	1.00	1.00	1.00
Human Resources Director	-	-	1.00	1.00
Human Resources Manager	1.00	1.00	-	-
Human Resources Technician	1.00	1.00	1.00	1.00

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Personnel Summary by Position (continued)

Position	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
Information Services Manager	1.00	1.00	1.00	1.00
Information Systems Technician	2.00	2.00	2.00	2.00
Junior Engineer	1.00	-	-	-
Maintenance Manager	1.00	1.00	1.00	1.00
Maintenance Services Coordinator	-	1.00	1.00	1.00
Maintenance Worker I/II	6.00	6.00	6.00	6.00
Management Analyst	1.00	1.00	1.00	1.00
Multi Service Officer	3.00	3.00	3.00	3.00
Municipal Services Assistant	4.00	5.00	6.00	6.00
Office Assistant I/II	2.00	2.00	2.00	2.00
Paralegal	1.00	1.00	1.00	1.00
Police Analyst	1.00	1.00	1.00	1.00
Police Captain	2.00	2.00	2.00	2.00
Police Chief	1.00	1.00	1.00	1.00
Police Corporal	6.00	6.00	6.00	6.00
Police Officer	24.00	24.00	24.00	24.00
Police Records Specialist	2.00	3.00	3.00	3.00
Police Sergeant	6.00	6.00	6.00	6.00
Police Support Services Manger	1.00	1.00	1.00	1.00
Program Administrator	1.00	1.00	1.00	1.00
Programmer Analyst	1.00	1.00	1.00	1.00
Property/Evidence Technician	1.00	1.00	1.00	1.00
Pt Administrative Analyst Confidential	0.75	0.75	0.75	0.75
Pt Custodian	2.00	2.00	2.00	2.00
Pt Management Analyst	0.75	0.75	0.75	0.75
Pt Municipal Services Assistant	0.50	0.50	0.50	0.50
Pt Office Assistant I/II	1.00	0.50	0.50	0.50
Pt Police Records Specialist	0.50	0.50	0.50	0.50
Pt Risk Management Analyst	0.50	0.50	0.50	0.50
Public Safety Dispatch Supervisor	-	-	1.00	1.00
Public Safety Dispatcher	8.00	8.00	8.00	8.00
Public Works Director	1.00	1.00	1.00	1.00
Public Works Inspector	1.00	-	1.00	1.00
Public Works Inspector Supervisor	1.00	1.00	1.00	1.00
Recreation Manager	1.00	1.00	1.00	1.00
Recreation Services Coordinator	4.00	4.00	4.00	4.00
Senior Civil Engineer	2.00	2.00	2.00	2.00
Senior Human Resources Analyst	1.00	1.00	1.00	1.00
Senior Maintenance Worker	1.00	1.00	1.00	1.00
Senior Planner	3.00	3.00	3.00	3.00
Senior Police Records Specialist	1.00	1.00	1.00	1.00
Senior Project Manager	-	-	1.00	1.00
Senior Public Works Inspector	-	1.00	1.00	1.00
Senior Utility Worker	4.00	4.00	4.00	4.00
Support Services Supervisor	1.00	1.00	1.00	1.00
Utility Supervisor	2.00	2.00	2.00	2.00
Utility Systems Manager	1.00	1.00	1.00	1.00
Utility Worker I/II	17.00	17.00	17.00	17.00
Water Quality Specialist	1.00	1.00	1.00	1.00
Grand Total	**182.00**	**187.50**	**193.50**	**193.50**

Personnel Detail by Program

Department/Division	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
City Council	5.0000	5.0000	5.0000	5.0000
City Council	**5.0000**	**5.0000**	**5.0000**	**5.0000**
Assistant City Attorney	-	-	0.9300	0.9300
City Attorney	0.7000	0.7000	0.7500	0.7500
Deputy City Attorney	0.9300	0.9300	-	-
Paralegal	1.0000	1.0000	1.0000	1.0000
City Attorney	**2.6300**	**2.6300**	**2.6800**	**2.6800**
City Manager	0.4500	0.4500	0.4500	0.5000
Economic Development Coordinator	-	1.0000	0.9000	0.9000
Economic Development Director	-	-	0.8000	0.9000
Economic Development Manager	0.2000	0.8000	-	-
Pt Administrative Analyst Confidential	0.7500	0.7500	0.7500	0.7500
City Manager	**1.4000**	**3.0000**	**2.9000**	**3.0500**
Administrative Analyst	0.5000	0.5000	0.5000	0.5000
Community Services Coordinator	0.3000	0.3000	0.3000	0.3000
Community Services Director	0.2500	0.2500	0.2500	0.2500
Community Services Supervisor	0.3500	0.3500	0.3500	0.3500
Municipal Services Assistant	0.9000	0.9000	0.9000	0.9000
Pt Office Assistant I/II	0.4500	0.4500	0.4500	0.4500
Recreation Manager	0.6500	0.6500	0.6500	0.6500
Recreation Services Coordinator	2.2500	2.2500	2.2500	2.2500
Membership Services and Recreation Programs	**5.6500**	**5.6500**	**5.6500**	**5.6500**
Administrative Analyst	0.1500	0.1500	0.1500	0.1500
Community Services Coordinator	0.5000	0.5000	0.5000	0.5000
Community Services Director	0.2000	0.2000	0.2000	0.2000
Community Services Supervisor	0.6000	0.6000	0.6000	0.6000
Municipal Services Assistant	0.1000	0.1000	0.1000	0.1000
Pt Office Assistant I/II	0.0500	0.0500	0.0500	0.0500
Recreation Manager	0.2000	0.2000	0.2000	0.2000
Recreation Services Coordinator	1.1500	1.1500	1.1500	1.1500
Facility Services	**2.9500**	**2.9500**	**2.9500**	**2.9500**
Administrative Analyst	0.1000	0.1000	0.1000	0.1000
Community Services Coordinator	0.2000	0.2000	0.2000	0.2000
Community Services Director	0.2000	0.2000	0.2000	0.2000
Community Services Supervisor	0.0500	0.0500	0.0500	0.0500
GIS Manager	-	-	0.0200	0.0200
Older Adult Services Supervisor	-	1.0000	1.0000	1.0000
Recreation Manager	0.1500	0.1500	0.1500	0.1500
Recreation Services Coordinator	0.6000	0.4000	0.4000	0.4000
Recreation Services Coordinator	-	0.2000	0.2000	0.2000
Community Services	**1.3000**	**2.3000**	**2.3200**	**2.3200**
Assistant City Manager for Administrative Services	0.1500	0.1500	0.1500	0.1500
Human Resources Director	-	-	1.0000	1.0000
Human Resources Manager	1.0000	1.0000	-	-
Human Resources Technician	0.7500	0.7500	0.7500	0.7500
Pt Office Assistant I/II	-	-	0.5000	0.5000
Senior Human Resources Analyst	1.0000	1.0000	1.0000	1.0000
Human Resources	**2.9000**	**2.9000**	**3.4000**	**3.4000**

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Personnel Detail by Program (continued)

Department/Division	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
Assistant City Manager for Administrative Services	0.1000	0.1000	0.1000	0.1000
City Clerk	1.0000	1.0000	1.0000	1.0000
Council Services and Records Coordinator	0.9000	0.9000	-	-
Council Services and Records Manager	-	-	0.9000	0.9000
Council Services Assistant	1.0000	1.0000	1.0000	1.0000
GIS Manager	-	-	0.0100	0.0100
Municipal Services Assistant	1.0000	1.0000	1.0000	1.0000
Pt Office Assistant I/II	0.5000	1.0000	0.5000	0.5000
Council Services and Records Management	**4.5000**	**5.0000**	**4.5100**	**4.5100**
Council Services and Records Coordinator	0.1000	0.1000	-	-
Council Services and Records Manager	-	-	0.1000	0.1000
Elections	**0.1000**	**0.1000**	**0.1000**	**0.1000**
Accountant I	1.7000	1.3000	2.0000	2.0000
Accounting Assistant I/II	2.0000	2.2500	2.0800	2.0800
Accounting Manager	-	-	0.3000	0.3000
Accounting Technician	1.0000	1.0000	1.0000	1.0000
Assistant City Manager for Administrative Services	0.5000	0.5000	0.5000	0.5000
Assistant Finance Director	0.7000	0.7000	-	-
Budget Manager	1.0000	1.0000	1.0000	1.0000
City Treasurer	1.0000	1.0000	1.0000	1.0000
Finance Director	-	-	0.7000	0.7000
Human Resources Technician	0.2500	0.2500	0.2500	0.2500
Finance	**8.1500**	**8.0000**	**8.8300**	**8.8300**
Code Enforcement Officer	-	-	0.5000	0.5000
Municipal Services Assistant	-	-	0.5000	0.5000
Code Compliance	**-**	**-**	**1.0000**	**1.0000**
Executive Assistant to the Chief of Police	1.0000	1.0000	1.0000	1.0000
Police Analyst	1.0000	1.0000	1.0000	1.0000
Police Chief	1.0000	1.0000	1.0000	1.0000
Police Sergeant	1.0000	1.0000	1.0000	1.0000
Pd Administration	**4.0000**	**4.0000**	**4.0000**	**4.0000**
Multi Service Officer	3.0000	3.0000	3.0000	3.0000
Police Captain	1.0000	1.0000	1.0000	1.0000
Police Corporal	3.0000	5.0000	5.0000	5.0000
Police Officer	19.0000	17.0000	17.0000	17.0000
Police Sergeant	4.0000	4.0000	4.0000	4.0000
Pd Field Operations	**30.0000**	**30.0000**	**30.0000**	**30.0000**
GIS Manager	-	-	0.1000	0.1000
Police Records Specialist	2.0000	3.0000	3.0000	3.0000
Police Support Services Manger	1.0000	1.0000	1.0000	1.0000
Property/Evidence Technician	1.0000	1.0000	1.0000	1.0000
Pt Police Records Specialist	0.5000	0.5000	0.5000	0.5000
Senior Police Records Specialist	1.0000	1.0000	1.0000	1.0000
Pd Support Services	**5.5000**	**6.5000**	**6.6000**	**6.6000**
Emergency Services Coordinator	1.0000	1.0000	1.0000	1.0000
Pd Emergency Services	**1.0000**	**1.0000**	**1.0000**	**1.0000**
Police Captain	1.0000	1.0000	1.0000	1.0000
Police Corporal	1.0000	1.0000	1.0000	1.0000
Police Officer	7.0000	7.0000	7.0000	7.0000
Police Sergeant	1.0000	1.0000	1.0000	1.0000
Pd Special Operations	**10.0000**	**10.0000**	**10.0000**	**10.0000**

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Personnel Detail by Program (continued)

Department/Division	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
GIS Manager	-	-	0.1000	0.1000
Fire	**-**	**-**	**0.1000**	**0.1000**
Program Administrator	0.0500	0.0500	0.0500	0.0500
Pt Municipal Services Assistant	0.0500	0.0500	0.0500	0.0500
Cable Television	**0.1000**	**0.1000**	**0.1000**	**0.1000**
Maintenance Services Coordinator	-	0.5500	0.5500	0.5500
Downtown Maintenance	**-**	**0.5500**	**0.5500**	**0.5500**
Community Services Director	0.0500	0.0500	0.0500	0.0500
Program Administrator	0.4500	0.4500	0.4000	0.4000
Pt Municipal Services Assistant	0.3500	0.3500	0.3500	0.3500
Environmental Services	**0.8500**	**0.8500**	**0.8000**	**0.8000**
Administrative Analyst	0.1000	0.1000	0.1000	0.1000
Community Services Director	0.1500	0.1500	0.1500	0.1500
Engineering Aide I/II	0.0500	0.0500	0.0500	0.0500
GIS Manager	-	-	0.0500	0.0500
Maintenance Manager	0.3500	0.3500	0.3500	0.3500
Maintenance Worker I/II	3.9500	3.9500	3.9500	3.9500
Municipal Services Assistant	0.1000	0.1000	0.1000	0.1000
Office Assistant I/II	0.1000	0.1000	0.1000	0.1000
Program Administrator	0.1000	0.1000	0.1000	0.1000
Pt Management Analyst	0.2625	0.2625	0.2625	0.2625
Senior Maintenance Worker	0.5000	0.5000	0.5000	0.5000
Street Maintenance	**5.6625**	**5.6625**	**5.7125**	**5.7125**
Development Services Technician	0.1000	0.1000	0.1000	0.1000
Public Works Director	0.0500	0.0500	0.0500	0.0500
Senior Civil Engineer	0.1000	0.1000	0.1000	0.1000
Congestion Management	**0.2500**	**0.2500**	**0.2500**	**0.2500**
Public Safety Dispatch Supervisor	-	-	1.0000	1.0000
Public Safety Dispatcher	8.0000	8.0000	8.0000	8.0000
Dispatch Services	**8.0000**	**8.0000**	**9.0000**	**9.0000**
Accounting Assistant I/II	0.1000	0.1000	0.1100	0.1100
Assistant City Manager for Community Development	0.2000	0.3000	0.3500	0.3500
Assistant/Associate Planner	1.5000	2.0000	2.0000	2.0000
City Manager	0.0400	0.0400	0.0800	0.0800
Comm Development Director	0.3000	0.3000	0.3000	0.3000
Community Development Business Assistant	0.1000	0.1000	0.1000	0.1000
Development Services Technician	0.9500	0.9500	0.9500	0.9500
Economic Development Manager	0.5000	-	-	-
GIS Manager	-	-	0.1500	0.1500
Municipal Services Assistant	0.8000	0.8000	0.8000	0.8000
Senior Planner	2.0000	2.0000	2.0000	2.0000
Support Services Supervisor	0.1000	0.1000	0.4000	0.4000
Planning	**6.5900**	**6.6900**	**7.2400**	**7.2400**

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Personnel Detail by Program (continued)

Department/Division	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
Accounting Assistant I/II	0.1000	0.1000	0.1100	0.1100
Assistant City Manager for Community Development	0.1000	0.1000	0.1000	0.1000
Building Inspector II	2.0000	2.0000	2.0000	2.0000
Building Inspector Supervisor	1.0000	1.0000	1.0000	1.0000
Building Manager	0.7400	-	-	-
Building Official	-	-	1.0000	1.0000
City Manager	0.0200	0.0200	0.0400	0.0400
Code Enforcement Officer	0.6000	0.6000	0.1000	0.1000
Comm Development Director	0.2000	0.2000	0.2000	0.2000
Community Development Business Assistant	0.0500	0.0500	0.1000	0.1000
Development Services Technician	1.8500	1.8500	1.8500	1.8500
GIS Manager	-	-	0.1100	0.1100
Municipal Services Assistant	0.0500	0.0500	0.5500	0.5500
Program Administrator	-	0.7400	-	-
Support Services Supervisor	0.0500	0.0500	0.1000	0.1000
Building	**6.7600**	**6.7600**	**7.2600**	**7.2600**
Accounting Assistant I/II	0.1000	0.1000	0.1100	0.1100
Assistant/Associate Engineer	0.4000	0.4000	1.5000	1.5000
City Manager	0.0400	0.0400	0.0800	0.0800
Community Development Business Assistant	0.2500	0.2500	0.2500	0.2500
Engineering Aide I/II	0.1100	0.1100	0.1100	0.1100
GIS Manager	-	-	0.1500	0.1500
Junior Engineer	0.5000	0.5000	-	-
Municipal Services Assistant	0.0500	0.0500	0.0500	0.0500
Public Works Director	0.2000	0.2000	0.2000	0.2000
Public Works Inspector	0.3000	-	0.3000	0.3000
Public Works Inspector Supervisor	0.2000	0.2000	0.2000	0.2000
Senior Civil Engineer	0.5000	0.5000	0.8000	0.8000
Senior Public Works Inspector	-	0.1400	0.3000	0.3000
Support Services Supervisor	0.1000	0.1000	0.1500	0.1500
Engineering	**2.7500**	**2.5900**	**4.2000**	**4.2000**
Assistant City Manager for Community Development	-	0.0500	0.0500	0.0500
Assistant/Associate Planner	0.5000	-	-	-
City Manager	0.1000	0.1000	0.1500	0.1500
Comm Development Director	0.4000	0.4000	0.4000	0.4000
Economic Development Coordinator	-	-	0.1000	0.1000
Economic Development Director	-	-	0.1000	0.1000
Senior Planner	1.0000	1.0000	1.0000	1.0000
Long Range Planning	**2.0000**	**1.5500**	**1.8000**	**1.8000**
Administrative Analyst	0.0500	0.0500	0.0500	0.0500
Maintenance Manager	0.0500	0.0500	0.0500	0.0500
Maintenance Worker I/II	-	0.0500	0.0500	0.0500
Pt Management Analyst	0.0375	0.0375	0.0375	0.0375
Senior Maintenance Worker	0.0500	0.0500	0.0500	0.0500
Lighting And Landscape District	**0.1875**	**0.2375**	**0.2375**	**0.2375**
Program Administrator	-	-	0.0500	0.0500
Communtiy Facilities District	**-**	**-**	**0.0500**	**0.0500**

Personnel Detail by Program (continued)

Department/Division	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
Assistant/Associate Engineer	0.1000	0.1000	0.2000	0.2000
Community Services Director	0.0500	0.0500	0.0500	0.0500
Environmental Services Coordinator	1.0000	1.0000	1.0000	1.0000
Program Administrator	0.2000	0.2000	0.2000	0.2000
Pt Municipal Services Assistant	0.0500	0.0500	0.0500	0.0500
Public Works Inspector	0.0500	-	-	-
Public Works Inspector Supervisor	0.0500	0.0500	0.0500	0.0500
Senior Public Works Inspector	-	0.0500	0.0500	0.0500
Stormwater Pollution Prevention	**1.5000**	**1.5000**	**1.6000**	**1.6000**
Accounting Assistant I/II	0.5000	0.2500	0.2500	0.2500
Assistant City Attorney	-	-	0.0700	0.0700
Assistant City Manager for Community Development	0.1000	0.1500	0.1500	0.2500
City Attorney	0.1500	0.1500	0.1500	0.1500
Code Enforcement Officer	0.3000	0.3000	0.3000	0.3000
Community Development Business Assistant	0.1500	0.1500	0.1500	0.1500
Deputy City Attorney	0.0200	0.0200	-	-
Development Services Technician	0.1000	0.1000	0.1000	0.1000
Housing Manager	0.5000	0.5000	0.5000	0.5000
Municipal Services Assistant	0.0500	0.5500	0.5500	0.5500
Housing Mitigation	**1.8700**	**2.1700**	**2.2200**	**2.3200**
Accountant I	0.3000	0.3000	-	-
Accounting Manager	-	-	0.3000	0.3000
Assistant City Manager for Community Development	0.4500	0.2500	0.2000	-
City Attorney	0.1500	0.1500	0.1000	0.1000
City Manager	0.2000	0.2000	0.0500	-
Community Development Business Assistant	0.0500	0.0500	-	-
Deputy City Attorney	0.0500	0.0500	-	-
Economic Development Director	-	-	0.1000	-
Economic Development Manager	0.3000	0.2000	-	-
Successor Agency Administration	**1.5000**	**1.2000**	**0.7500**	**0.4000**
Assistant City Manager for Community Development	0.1000	0.1000	0.1000	0.2000
City Manager	0.1500	0.1500	0.1500	0.1500
Code Enforcement Officer	0.1000	0.1000	0.1000	0.1000
Comm Development Director	0.0500	0.0500	0.0500	0.0500
Community Development Business Assistant	0.0500	0.0500	0.0500	0.0500
Housing Manager	0.5000	0.5000	0.5000	0.5000
Municipal Services Assistant	0.0500	0.5500	0.5500	0.5500
Housing Successor Agency	**1.0000**	**1.5000**	**1.5000**	**1.6000**
Administrative Analyst	0.1000	0.1000	0.1000	0.1000
Community Services Director	0.0500	0.0500	0.0500	0.0500
GIS Manager	-	-	0.0500	0.0500
Maintenance Manager	0.2500	0.2500	0.2500	0.2500
Maintenance Worker I/II	2.0500	2.0000	2.0000	2.0000
Municipal Services Assistant	0.1000	0.1000	0.1000	0.1000
Office Assistant I/II	0.1000	0.1000	0.1000	0.1000
Program Administrator	0.1000	0.1000	0.1000	0.1000
Pt Management Analyst	0.1875	0.1875	0.1875	0.1875
Senior Maintenance Worker	0.4500	0.4500	0.4500	0.4500
Park Maintenance	**3.3875**	**3.3375**	**3.3875**	**3.3875**

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Personnel Detail by Program (continued)

Department/Division	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
Assistant/Associate Engineer	0.1500	0.1500	0.0500	0.0500
Deputy Director for Utiltities Services	-	0.4500	0.4500	0.4500
Electrician	0.5000	0.3000	0.3000	0.3000
Engineering Aide I/II	0.2100	0.2100	0.2100	0.2100
Financial and Policy Anaylst	0.2500	0.2500	0.2500	0.2500
GIS Manager	-	-	0.1300	0.1300
Management Analyst	0.5000	0.5000	0.5000	0.5000
Municipal Services Assistant	0.4000	0.4000	0.4000	0.4000
Office Assistant I/II	0.4000	0.4000	0.4000	0.4000
Public Works Director	0.2000	0.2000	0.2000	0.2000
Public Works Inspector	0.0700	-	-	-
Public Works Inspector Supervisor	0.1000	0.1000	0.1000	0.1000
Senior Civil Engineer	0.1800	0.1800	0.1000	0.1000
Senior Public Works Inspector	-	0.0700	0.0700	0.0700
Senior Utility Worker	1.5000	1.2000	1.8000	1.8000
Support Services Supervisor	0.1000	0.1000	0.1000	0.1000
Utilities Business Manager	0.4500	-	-	-
Utility Supervisor	1.0000	1.0000	1.0000	1.0000
Utility Systems Manager	0.5000	0.5000	0.5000	0.5000
Utility Worker I/II	8.2000	6.2000	7.7000	7.7000
Sewer Operations	**14.7100**	**12.2100**	**14.2600**	**14.2600**
Assistant/Associate Engineer	0.2000	0.2000	0.0500	0.0500
Deputy Director for Utiltities Services	-	0.4500	0.4500	0.4500
Electrician	0.5000	0.7000	0.7000	0.7000
Engineering Aide I/II	0.2100	0.2100	0.2100	0.2100
Financial and Policy Anaylst	0.2500	0.2500	0.2500	0.2500
GIS Manager	-	-	0.1300	0.1300
Management Analyst	0.5000	0.5000	0.5000	0.5000
Municipal Services Assistant	0.4000	0.4000	0.4000	0.4000
Office Assistant I/II	0.4000	0.4000	0.4000	0.4000
Public Works Director	0.2000	0.2000	0.2000	0.2000
Public Works Inspector	0.0400	-	-	-
Public Works Inspector Supervisor	0.1000	0.1000	0.1000	0.1000
Senior Civil Engineer	0.1800	0.1800	0.1000	0.1000
Senior Public Works Inspector	-	0.0400	0.0400	0.0400
Senior Utility Worker	2.5000	2.8000	2.2000	2.2000
Support Services Supervisor	0.1000	0.1000	0.1000	0.1000
Utilities Business Manager	0.4500	-	-	-
Utility Supervisor	1.0000	1.0000	1.0000	1.0000
Utility Systems Manager	0.5000	0.5000	0.5000	0.5000
Utility Worker I/II	8.8000	10.8000	9.3000	9.3000
Water Quality Specialist	1.0000	1.0000	1.0000	1.0000
Water Operations	**17.3300**	**19.8300**	**17.6300**	**17.6300**

Personnel Detail by Program (continued)

Department/Division	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
Accountant I	-	0.4000	-	-
Accounting Assistant I/II	2.2000	2.2000	2.3400	2.3400
Accounting Manager	-	-	0.4000	0.4000
Assistant City Manager for Administrative Services	0.1500	0.1500	0.1500	0.1500
Assistant Finance Director	0.3000	0.3000	-	-
Deputy Director for Utiltities Services	-	0.1000	0.1000	0.1000
Finance Director	-	-	0.3000	0.3000
Utilities Business Manager	0.1000	-	-	-
Utility Billing	**2.7500**	**3.1500**	**3.2900**	**3.2900**
Community Services Director	0.0500	0.0500	0.0500	0.0500
Program Administrator	0.1000	0.1000	0.1000	0.1000
Pt Municipal Services Assistant	0.0500	0.0500	0.0500	0.0500
Water Conservation	**0.2000**	**0.2000**	**0.2000**	**0.2000**
Assistant City Manager for Administrative Services	0.1000	0.1000	0.1000	0.1000
Communications And Engagement Manager	1.0000	-	-	-
Information Services Manager	1.0000	1.0000	1.0000	1.0000
Information Systems Technician	2.0000	2.0000	2.0000	2.0000
Programmer Analyst	1.0000	1.0000	1.0000	1.0000
Information Services	**5.1000**	**4.1000**	**4.1000**	**4.1000**
Communications And Engagement Manager	-	1.0000	1.0000	1.0000
Communications And Engagement	**-**	**1.0000**	**1.0000**	**1.0000**
Building Manager	0.0200	-	-	-
Facilities Maintenance Specialist	1.0000	1.0000	1.0000	1.0000
Maintenance Manager	0.1000	0.1000	0.1000	0.1000
Maintenance Services Coordinator	-	0.0300	0.0300	0.0300
Program Administrator	-	0.0200	-	-
Pt Custodian	0.5000	-	-	-
Pt Management Analyst	0.0750	0.0750	0.0750	0.0750
Building Maintenance Community and Cultural Center	**1.6950**	**1.2250**	**1.2050**	**1.2050**
Building Manager	0.0200	-	-	-
Facilities Maintenance Specialist	1.0000	1.0000	1.0000	1.0000
Maintenance Manager	0.1000	0.1000	0.1000	0.1000
Maintenance Services Coordinator	-	0.0300	0.0300	0.0300
Program Administrator	-	0.0200	-	-
Pt Management Analyst	0.0750	0.0750	0.0750	0.0750
Building Maintenance Aquatics Center	**1.1950**	**1.2250**	**1.2050**	**1.2050**
Building Manager	0.0200	-	-	-
Facilities Maintenance Specialist	1.0000	1.0000	1.0000	1.0000
Maintenance Manager	0.1500	0.1500	0.1500	0.1500
Maintenance Services Coordinator	-	0.0300	0.0300	0.0300
Program Administrator	-	0.0200	-	-
Pt Management Analyst	0.1125	0.1125	0.1125	0.1125
Building Maintenance Centennial Recreation Center	**1.2825**	**1.3125**	**1.2925**	**1.2925**
Building Manager	0.0500	-	-	-
Maintenance Services Coordinator	-	0.0900	0.0900	0.0900
Program Administrator	-	0.0500	-	-
Pt Custodian	0.5000	0.5000	0.5000	0.5000
Building Maintenance Police Station	**0.5500**	**0.6400**	**0.5900**	**0.5900**

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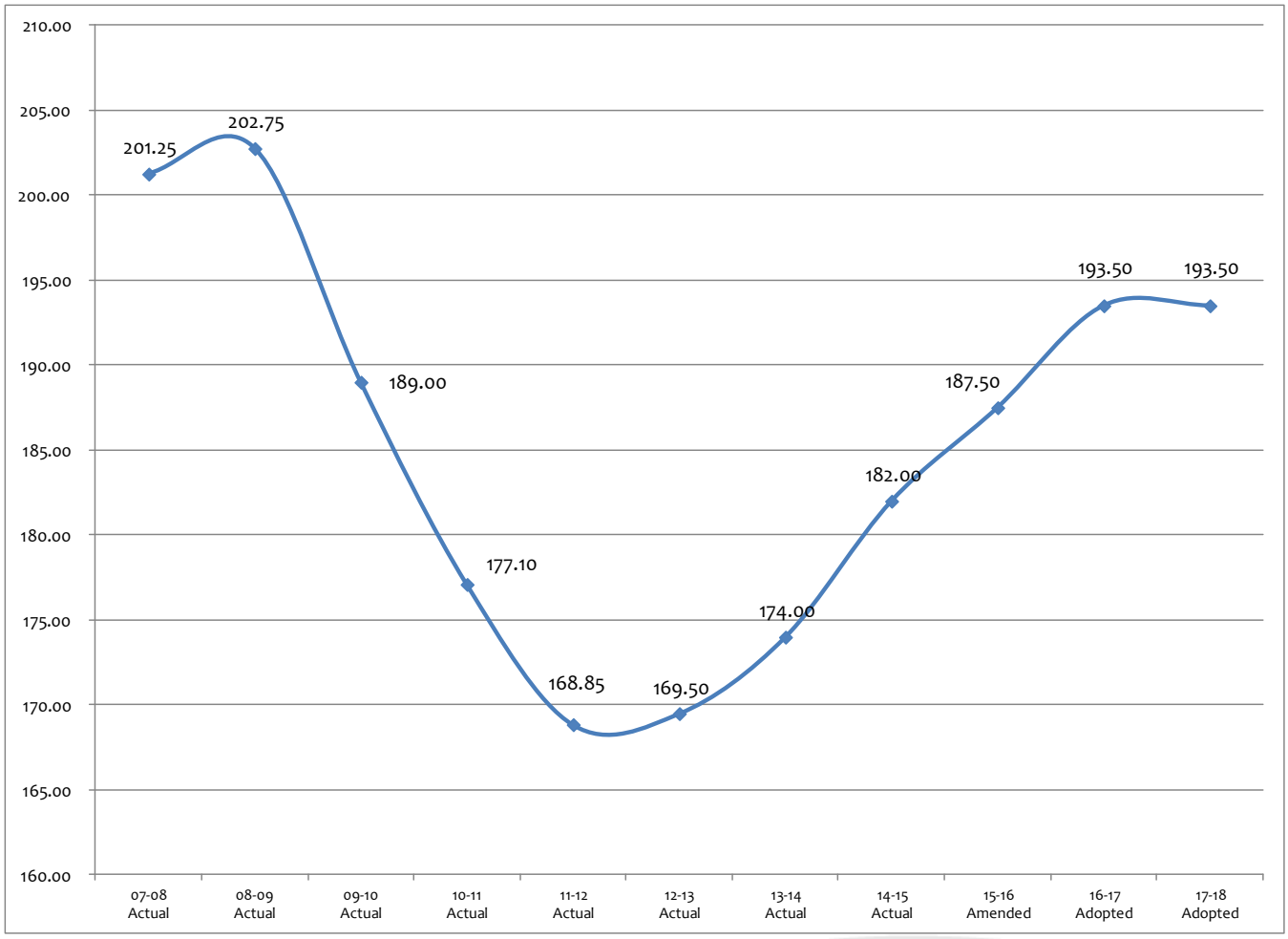
Personnel Detail by Program (continued)

Department/Division	14-15 Actual	15-16 Amended	16-17 Adopted	17-18 Adopted
Building Manager	0.0500	-	-	-
Maintenance Services Coordinator	-	0.0900	0.0900	0.0900
Program Administrator	-	0.0500	-	-
Pt Custodian	0.1250	0.3750	0.3750	0.3750
Building Maintenance Civic Center Campus (Formerly Council Chamber Building, Villas, and Exterior Grounds)	**0.1750**	**0.5150**	**0.4650**	**0.4650**
Building Manager	0.0500	-	-	-
Maintenance Services Coordinator	-	0.0900	0.0900	0.0900
Program Administrator	-	0.0500	-	-
Pt Custodian	0.3750	0.6250	0.6250	0.6250
Building Maintenance Civic Center Campus (Formerly City Hall/Development Services Center)	**0.4250**	**0.7650**	**0.7150**	**0.7150**
Building Manager	0.0500	-	-	-
Maintenance Services Coordinator	-	0.0900	0.0900	0.0900
Program Administrator	-	0.0500	-	-
Pt Custodian	0.5000	0.5000	0.5000	0.5000
Building Maintenance Corporation Yard	**0.5500**	**0.6400**	**0.5900**	**0.5900**
Assistant City Manager for Community Development	0.0500	0.0500	0.0500	0.0500
Assistant/Associate Engineer	2.1500	2.1500	1.2000	1.2000
Comm Development Director	0.0500	0.0500	0.0500	0.0500
Community Development Business Assistant	0.3500	0.3500	0.3500	0.3500
Engineering Aide I/II	1.4200	1.4200	1.4200	1.4200
Financial and Policy Anaylst	0.5000	0.5000	0.5000	0.5000
Junior Engineer	0.5000	0.5000	1.0000	1.0000
Public Works Director	0.3500	0.3500	0.3500	0.3500
Public Works Inspector	0.5400	-	0.7000	0.7000
Public Works Inspector Supervisor	0.5500	0.5500	0.5500	0.5500
Senior Civil Engineer	1.0400	1.0400	0.9000	0.9000
Senior Project Manager	-	-	1.0000	1.0000
Senior Public Works Inspector	-	0.7000	0.5400	0.5400
Support Services Supervisor	0.5500	0.5500	0.1500	0.1500
Capital Project Implementation	**8.0500**	**8.2100**	**8.7600**	**8.7600**
Pt Risk Management Analyst	0.5000	0.5000	0.5000	0.5000
General Liability Insurance	**0.5000**	**0.5000**	**0.5000**	**0.5000**
Grand Total	**182.0000**	**187.5000**	**193.5000**	**193.5000**

History of Full Time Equivalent (FTE) Count



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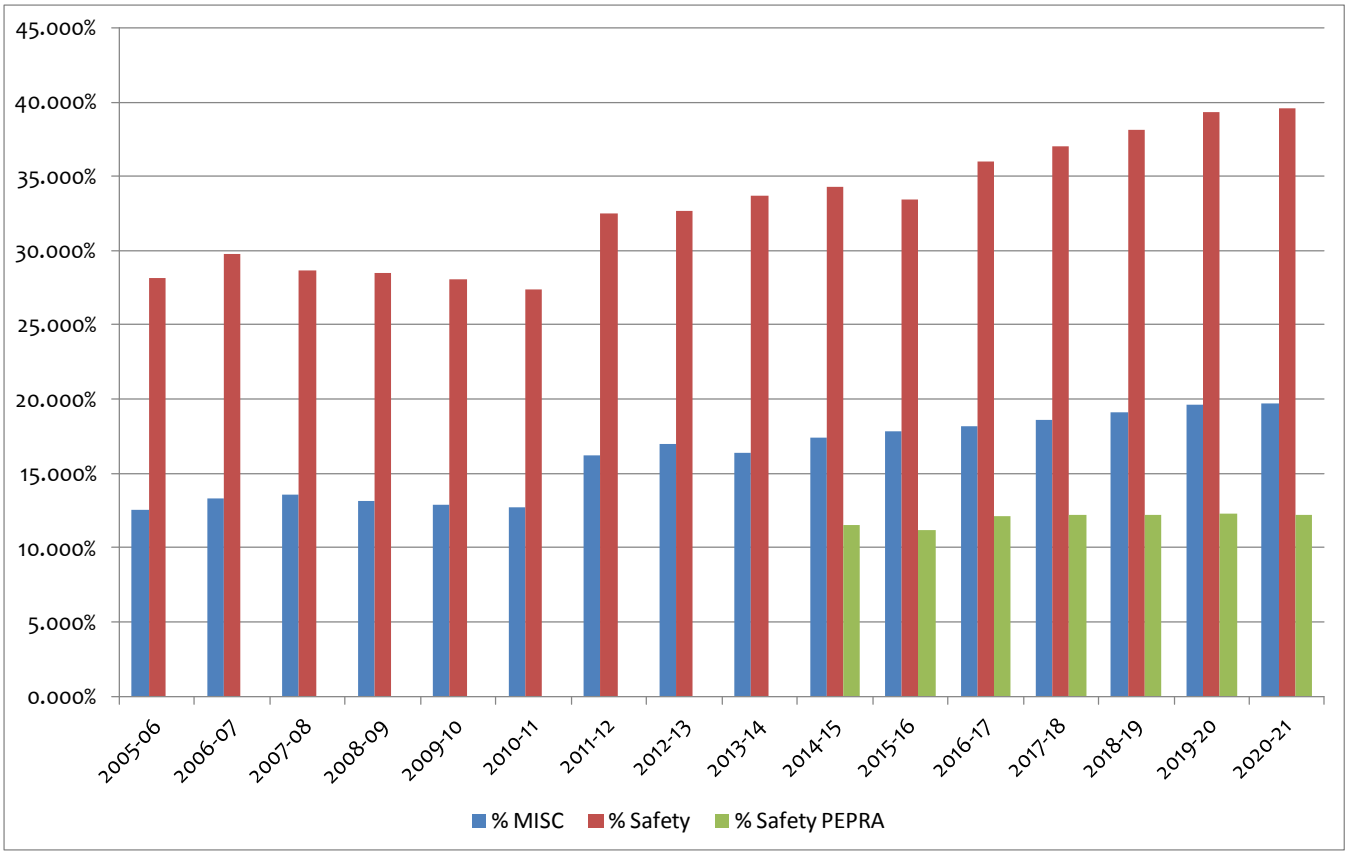
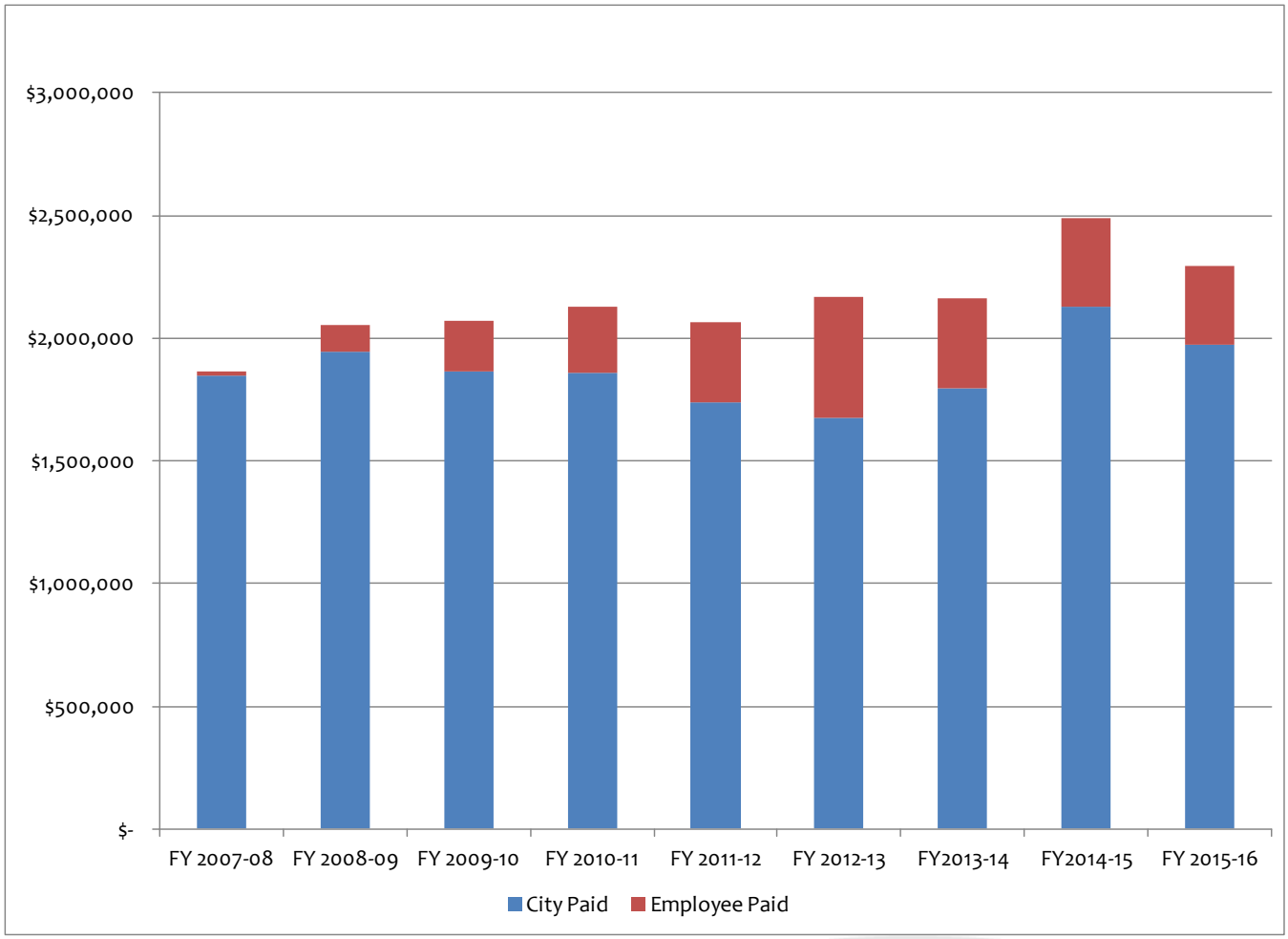
PERS Rate Employer Contribution (Safety, Miscellaneous, and Safety PEPRA)



Health Benefit Costs (Employer and Employee Paid)



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City Council

Appropriations Summary

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Employee Services	$ 88,142	$ 94,716	$ 84,185	$ 89,183	$ 92,442
Supplies & Services	122,501	261,682	237,622	164,810	201,484
Capital Outlay	-	-	-	-	-
Debt Services	-	-	-	-	-
Internal Service	16,771	19,122	19,121	38,076	39,233
Transfers Out	1,829	1,829	1,829	1,047	1,206
TOTAL EXPENDITURES	**$ 229,243**	**$ 377,348**	**$ 342,757**	**$ 293,116**	**$ 334,365**

FULL TIME EQUIVALENT EMPLOYEES	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**

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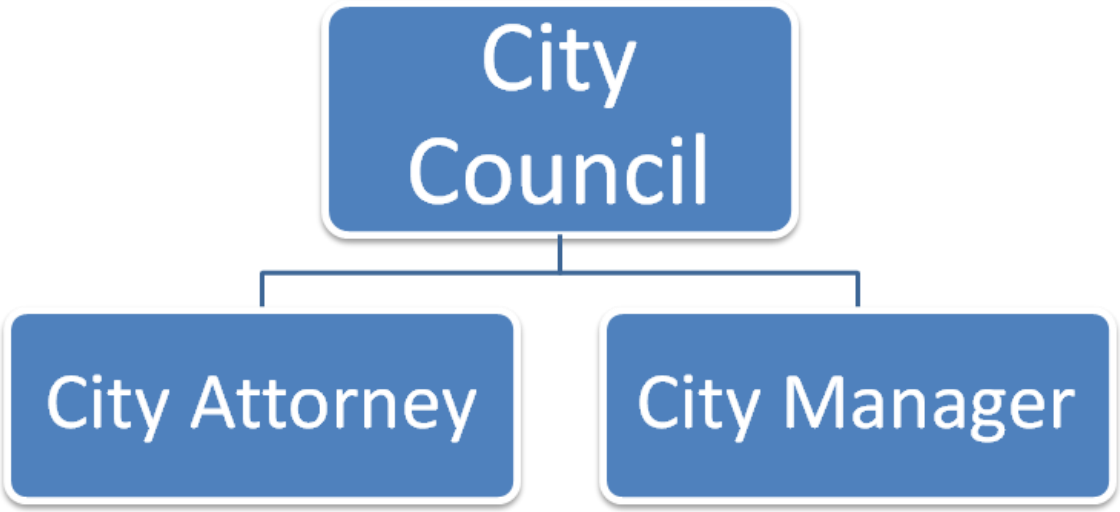
City Council
City Attorney
City Manager

City Council [010-1100]

ACTIVITY DESCRIPTION

The City Council consists of the Mayor and four Council Members, elected at large by the citizens of Morgan Hill on a non-partisan basis. The City Council is the policy making legislative body of the City. The Council adopts the biennial budget, enacts ordinances and approves major contracts, acquisitions and leases, as well as major purchases of equipment and services required by the City. The Council also appoints the City Manager as the City's chief administrative officer and City Attorney as legal counsel.

With the advice and assistance of the City Manager, City Attorney, and employees, the City Council reviews proposals to meet community needs, initiates action for new policies, and allocates resources. Members of the City Council also represent the City on various outside agencies, commissions and committees.

Annually, the Council adopts its goals, priorities, and strategies for the organization and community. Included are its ongoing priorities of enhancing public safety, protecting the environment, maintaining fiscal responsibility, supporting youth, fostering a positive organizational culture, and preserving and cultivating public trust.

In addition to the City Council's ongoing priorities, five specific focus areas were recognized by the Council that will require significant resources in 2016 and are itemized below:

Planning Our Community

1. Completing the General Plan Update
2. Completing the Zoning Code Update
3. Updating the Residential Development Control System
4. Creating an Economic Development Blueprint
5. Updating the Parks, Recreation, Trails and Bikeways Master Plan
6. Developing a Public Safety Master Plan
7. Developing the M-West Masterplan
8. Completing a Community Development Fund Fee Study
9. Updating Utilities Master Plans (Water, Sewer, Stormwater)
10. Developing a Station Area Master Plan
11. Updating the Downtown Parking Strategy
12. Evaluating long-term Housing Administration Strategy
13. Creating a Telecommunications Master Plan
14. Developing 5-year Urban Water Management Plan
15. Reviewing the Police Department Strategic Plan
16. Commencing the Library Expansion Design

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City Council (continued)

Developing Our Community

17. Advancing the Sports, Recreation, Leisure District
18. Implementing the City-wide Agriculture Mitigation Ordinance
19. Managing Downtown Park and Trail Development
20. Implementing Redevelopment Sites #1 & 4 (Leal Hotel & Market Hall)
21. Executing UHC Development Agreement
22. Implementing EAH scattered site development
23. Constructing a multitude of water and wastewater projects
24. Supporting community effort to design and raise funds for an Inclusive Playground
25. Completing the public investment in Downtown Placemaking initiatives

Enhancing Our Services

26. Transitioning to a 2-year budget cycle
27. Completing and implementing Development Services Review recommendations
28. Implementing TRAKiT Land Management Software
29. Ensuring proper resources are allocated to Downtown Maintenance Services
30. Negotiating extension of CALFIRE Partnership Agreement
31. Negotiating the Outdoor Sports Center Partnership Agreement
32. Performing a successful recruitment for an experienced City Attorney

Improving Our Communication

33. Completing a significant community engagement process relating to community priorities
34. Implementing enhancements to our existing communications and engagement efforts
35. Enhancing the public's understanding of City decisions and achievements

Participating in Regional Initiatives

36. Executing the Community Choice Energy JPA
37. Implementing County-wide Interoperability Radio Project – SVRCS
38. Participating in County-wide transportation measure discussions
39. Working with the High Speed Rail Authority
40. Participating in Task Force on Water Efficient New Development
41. Participating in County led effort relating to Aging Friendly City designation
42. Coordinating City Bikeways, Trails, Parks and Recreation Master Plan Update with Countywide Trails Masterplan
43. Providing preferences to house the homeless with Santa Clara County
44. Participating in the Santa Clara County Regional Housing Task Force

City Council (continued)

FINANCIAL COMMENTS

Stipends and group insurance for Council Members are included in this activity. Building maintenance costs are included in the Council's budget for the Mayor's office and the Council Chamber.

The Council's budget includes funding for the following:

- Funding to accommodate membership and dues to the League of California Cities Peninsula Division ($12,150), Santa Clara County Cities Association ($5,000), Sister Cities ($600), and Association of Bay Area Governments ($8,400)
- Funding to assist El Toro Youth Center Operations ($15,000)
- Funding to assist United Way 211 ($5,000)
- Funding to assist in providing Child Health Care to qualified participants ($20,000)
- Continue the partnership and funding for TeenForce's local youth employment initiative. The City will enter year 3 of a 3-year funding commitment with TeenForce. Their goal is to employ 90+ youth by year 3, ages 14-24, 50% of which are foster care youth and an additional 20% have other barriers of employment ($12,800)
- Community Promotions funding has been allocated to support the Independence Day Celebration's Freedom Fest ($24,700), Safe Trick-or-Treat ($6,000), the Kiwanis' Holiday Lights Parade ($4,400), and the Morgan Hill Downtown Association Tree Lighting ($6,000)

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City Council (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41210	SALARIES - ELECTED/APPOINTED	25,081	25,524	25,043	25,790	26,493
41620	RETIREMENT - GENERAL	3,064	3,188	3,252	3,273	3,457
41700	GROUP INSURANCE	50,434	51,558	47,967	46,408	48,719
41701	MEDICARE	259	370	249	267	310
41760	WORKERS COMP	638	1,276	621	645	663
41900	CONTRACT LABOR	8,666	12,800	7,054	12,800	12,800
	Salaries Total	**88,142**	**94,716**	**84,185**	**89,183**	**92,442**
42214	TELEPHONE	1,362	1,485	1,380	1,450	1,479
42231	CONTRACT SERVICES	7,675	118,308	118,308	23,650	59,123
42244	STATIONERY & OFFICE SUPPLIES	851	515	240	240	245
42245	COMPUTER HARDWARE-NON CAPITAL	-	155	292	250	255
42246	COMPUTER SOFTWARE-NON CAPITAL	-	15,000	-	-	-
42248	OTHER SUPPLIES	458	5,114	4,400	1,500	1,530
42252	PHOTOCOPYING	1,876	2,678	2,600	2,800	2,856
42254	POSTAGE & FREIGHT	137	106	120	120	122
42257	PRINTING	286	372	150	375	383
42261	AUTO MILEAGE	158	372	250	375	383
42299	OTHER EXPENSE	257	-	-	500	510
42408	TRAINING & EDUCATION	298	10,609	1,000	10,000	10,200
42413	COMMUNITY PROMOTION	70,722	72,600	72,600	81,100	81,100
42415	CONFERENCE & MEETINGS	12,189	7,851	7,951	16,100	16,422
42423	MEMBERSHIP & DUES	26,149	26,416	28,096	26,250	26,775
42435	SUBSCRIPTION & PUBLICATIONS	83	101	235	100	102
	Supplies Total	**122,501**	**261,682**	**237,622**	**164,810**	**201,484**
45003	GENERAL LIABILITY INSURANCE	8,755	10,489	10,489	13,893	15,282
45004	BUILDING MAINT - CURRENT SERVICES	3,400	3,304	3,304	6,573	6,324
45005	BUILDING MAINT - FUTURE REPLACEMENT	532	548	548	564	581
45009	INFO SYSTEM SERVICES	4,084	4,780	4,780	17,045	17,045
	Internal Services Total	**16,771**	**19,122**	**19,121**	**38,076**	**39,233**
49241	TRANSFER OUT-BOND/DEBT	1,829	1,829	1,829	1,047	1,206
	Transfer Total	**1,829**	**1,829**	**1,829**	**1,047**	**1,206**
1100 - City Council Total		**229,243**	**377,348**	**342,757**	**293,116**	**334,365**

City Manager

Appropriations Summary

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Employee Services	$ 245,806	$ 560,504	$ 477,671	$ 694,376	$ 782,395
Supplies & Services	95,848	204,700	163,685	142,834	147,251
Capital Outlay	-	5,000	-	-	25,000
Debt Services	-	-	-	-	-
Internal Service	25,962	33,062	33,061	37,989	38,107
Transfers Out	3,659	3,659	3,659	4,186	4,826
TOTAL EXPENDITURES	**$ 371,275**	**$ 806,925**	**$ 678,076**	**$ 879,385**	**$ 997,579**

FULL TIME EQUIVALENT EMPLOYEES	**1.40**	**3.00**	**3.00**	**2.90**	**3.05**

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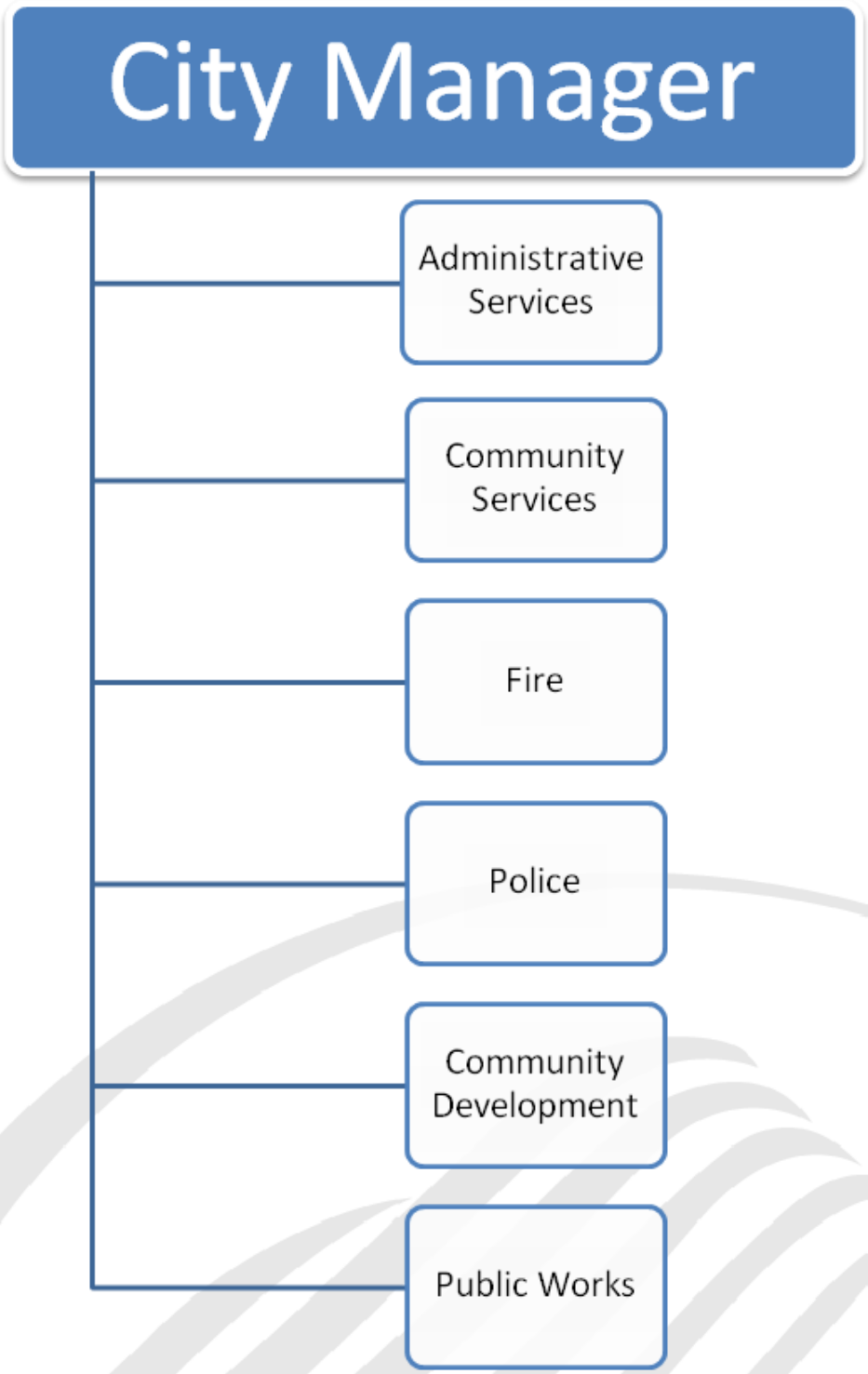
City Manager
Administrative Services
Community Services
Fire
Police
Community Development
Public Works

City Manager [010-2100]

ACTIVITY DESCRIPTION

The City Manager serves at the pleasure of the City Council and is responsible for implementing Council policy, providing leadership for the City's day-to-day operations, preparing and administering the annual budget, and managing the personnel system. The City Manager provides leadership and direction to the City's Leadership Team and employees in the Administrative Services Department, Community Development Department, Community Services Department, Fire Department, Police Department, and Public Works Department. In addition, the City Manager serves as the Personnel Officer, Purchasing Agent, the Director of Emergency Services, and serves as the Executive Director of the Successor Agency to the Redevelopment Agency (RDA).

A primary focus of the City Manager is to advance the City Council's policies, priorities, and goals and to instill them in all employees as they perform their daily jobs. The City Manager is committed to providing high quality and sustainable services to the Morgan Hill community based on the following ongoing Council priorities:

- Enhancing public safety
- Protecting the environment
- Maintaining fiscal responsibility
- Supporting youth
- Fostering a positive organizational culture
- Preserving and cultivating public trust

In addition to the City Council's priorities, five specific focus areas were recognized by the Council that will require significant resources in 2016:

- Planning our community
- Developing our community
- Enhancing our services
- Improving our communication
- Participating in regional initiatives

A detailed list of projects and initiatives categorized by focus area can be found in the City Council section of the budget document.

City Manager (continued)

FY 15-16 ACCOMPLISHMENTS

- Continued to promote and advance an organizational understanding of the Council's priorities and that they are the foundation for all that we do on a daily basis
- Provided leadership for the remarkable efforts put forth to complete the downtown streetscape improvements, utility undergrounding, parking structure construction, and creative placemaking initiatives
- Supported the Downtown Complete Streets Traffic Calming pilot project
- Developed the comprehensive infrastructure report that will serve as the foundation for Council decision-making and potentially a new revenue source
- Successfully disposed of downtown opportunity sites owned by former RDA for development
- Refinanced outstanding bonds saving the City and Morgan Hill taxpayers $4.4M
- Completed a community priorities survey confirming an exceptional level of satisfaction in the community (over 90%)
- Improved the efficiency and effectiveness of the City's budget development process by implementing a two year budget adoption cycle.
- Worked with our team, community, and regional partners to adjust water and wastewater rates to support the infrastructure for safe, clean drinking water and dependable wastewater systems
- Made a commitment to preserving agricultural land by implementing a progressive Agricultural Mitigation Ordinance, adopting an Agricultural Lands Preservation Program, committing money from the Agriculture and Open Space Preservation Fund, and requesting LAFCO allow annexation in the South East Quadrant to further advance our goals of Ag preservation and Sports, Recreation and Leisure
- Hired a professional consulting firm to evaluate the efficiency and effectiveness of the Development Services Review (Building, Planning and Engineering) processes
- Partnered with Management Partners to provide an analysis of the City's Code Enforcement operation to further strengthen the service.
- Completed an Information Services Business Alignment Study
- Implemented new technology in our administrative services areas to streamline processes and improve efficiency for our lean organization

ACTIVITY GOALS

FY 16-17

- Advance the Council's 2016 priorities, goals, and focus areas
- Continue quality of life priorities and needs discussion with the community and City Council
- Provide leadership for Public Safety Master Plan
- Complete the General Plan 2035 process
- Finalize Residential Development Control System Update process and November ballot measure
- Continue an evaluation of the organization's effectiveness in meeting the Council's priorities, including, but not limited to the organization's structure, policies, and processes (more specifically: development services, affordable housing administration and policies, and code compliance)
- Lead Successor Agency efforts to further the community's goals for the downtown and former redevelopment area by implementing the LRPMP, constructing downtown parks, and overseeing the downtown investment

City Manager (continued)

- Implement the Development Services Review recommendations
- Negotiate CALFIRE Partnership agreement extension
- Implement County-wide Interoperability Radio Project - SVRCS
- Participate in County-wide transportation measure discussions
- Lead the organization in a manner that fosters teamwork, advances the organization's core values, and improves services

FY 17-18

- Advance the Council's 2016 priorities, goals, and focus areas
- Provide leadership for implementation of Capital Improvement Projects
- Lead the organization in a manner that fosters teamwork, advances the organization's core values, and improves services

FINANCIAL COMMENTS

The compensation of the City Manager is established by an employment agreement with the City Council and is available for review on the City's website. In addition, to further the City Council's economic development goals and spur private investment in Morgan Hill, the City's economic development funding for personnel, programs, and initiatives is included in the City Manager's budget. Beginning in FY 16-17, part-time temporary personnel funds were added to assist with significant projects and initiatives, such as: negotiating the extension of the CALFIRE partnership agreement, assess and address impacts of Affordable Care Act (ACA), and update the City's Injury and Illness Prevention Program. Long-term these funds may be used to employ an International City/County Management Association (ICMA) Fellow. The ICMA Local Government Management Fellowship provides opportunities for master program graduates to develop real-world management skills from senior level government mentors. In return, the City benefits from the skills and expertise of graduates that can add value on a variety of projects.

Note: Economic Development narrative moved to the Community Development Department section in FY 16-17

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City Manager (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	170,709	395,184	340,939	446,044	509,927
41271	SALARIES - PART-TIME TEMP	105	-	1,544	72,000	72,000
41320	EARNED LEAVE LIABILITY	7,272	10,408	10,408	10,354	10,768
41620	RETIREMENT - GENERAL	30,983	70,517	62,235	80,895	95,061
41690	DEFERRED COMPENSATION	10,179	10,146	10,713	11,694	12,890
41700	GROUP INSURANCE	14,954	41,228	27,245	40,013	44,995
41701	MEDICARE	2,357	5,792	4,700	5,926	6,785
41701	MEDICARE PTT AND OT	-	-	22	1,044	1,044
41730	INCOME PROTECTION INS	1,531	3,183	3,300	3,829	4,037
41760	WORKERS COMP	4,236	19,759	8,484	11,151	12,748
41760	WORKERS COMP PTT AND OT	-	-	39	1,800	1,800
41799	BENEFITS	3,480	4,287	8,043	9,626	10,340
	Salaries Total	**245,806**	**560,504**	**477,671**	**694,376**	**782,395**
42214	TELEPHONE	1,602	955	600	600	612
42231	CONTRACT SERVICES	12,461	35,000	18,000	25,000	25,500
42244	STATIONERY & OFFICE SUPPLIES	858	1,061	600	1,000	1,020
42245	COMPUTER HARDWARE-NON CAPITAL	10	1,500	1,798	-	1,500
42248	OTHER SUPPLIES	405	1,030	90	1,030	1,051
42250	ADVERTISING	-	160	175	200	204
42252	PHOTOCOPYING	593	637	460	637	650
42254	POSTAGE & FREIGHT	419	530	100	531	542
42257	PRINTING	126	372	-	372	379
42261	AUTO MILEAGE	29	160	-	250	255
42299	OTHER EXPENSE	1,044	700	1,450	2,000	2,100
42408	TRAINING & EDUCATION	-	530	-	531	542
42410	PROFESSIONAL DEVELOPMENT	-	2,122	500	2,122	2,164
42415	CONFERENCE & MEETINGS	2,206	5,743	800	4,560	4,651
42417	ECONOMIC DEVELOPMENT PROGRAMS	73,035	148,365	136,212	100,000	102,000
42423	MEMBERSHIP & DUES	2,965	5,040	2,800	3,500	3,570
42435	SUBSCRIPTION & PUBLICATIONS	95	796	100	501	511
	Supplies Total	**95,848**	**204,700**	**163,685**	**142,834**	**147,251**
43835	FURNITURE/OFFICE EQUIPMENT	-	5,000	-	-	-
43845	COMPUTER SOFTWARE	-	-	-	-	25,000
	Capital Total	**-**	**5,000**	**-**	**-**	**25,000**
45003	GENERAL LIABILITY INSURANCE	2,101	6,294	6,294	8,058	8,864
45004	BUILDING MAINT - CURRENT SERVICES	5,100	4,956	4,956	19,062	18,341
45005	BUILDING MAINT - FUTURE REPLACEMENT	1,065	1,096	1,096	1,129	1,163
45009	INFO SYSTEM SERVICES	17,697	20,715	20,715	9,740	9,740
	Internal Services Total	**25,962**	**33,062**	**33,061**	**37,989**	**38,107**
49241	TRANSFER OUT-BOND/DEBT	3,659	3,659	3,659	4,186	4,826
	Transfer Total	**3,659**	**3,659**	**3,659**	**4,186**	**4,826**
2100 - City Manager Total		**371,275**	**806,925**	**678,076**	**879,385**	**997,579**

City Attorney

Appropriations Summary

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Employee Services	$ 445,136	$ 652,276	$ 358,124	$ 542,979	$ 581,775
Supplies & Services	24,554	137,307	323,001	94,215	96,099
Capital Outlay	-	-	-	-	-
Debt Services	-	-	-	-	-
Internal Service	26,725	29,157	29,158	51,107	51,236
Transfers Out	5,488	5,488	5,488	3,140	3,619
TOTAL EXPENDITURES	**$ 501,902**	**$ 824,228**	**$ 715,771**	**$ 691,442**	**$ 732,729**

FULL TIME EQUIVALENT EMPLOYEES	**2.63**	**2.63**	**2.63**	**2.68**	**2.68**

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City Attorney

City Attorney [010-1500]

ACTIVITY DESCRIPTION

The City Attorney represents the City Council, its boards and commissions and all City officers and employees in matters of law pertaining to their City functions. The City Attorney reviews and/or prepares all ordinances, resolutions, contracts, bonds, real estate documents and other legal documents for the City and litigates or manages the defense of the City in all litigation and prosecutes violations of the Morgan Hill Municipal Code. Though the City Attorney reports directly to the City Council, he/she works as part of the City's leadership team and provides legal support to City employees in all aspects of City operations, including planning, police, fire, code enforcement, engineering, public works, water utility, housing, parks and recreation. In addition to being formal counsel at City Council meetings, the City Attorney also advises City commissions comprised of citizens and serves as legal counsel to the Successor Agency of the former Morgan Hill Redevelopment Agency and as Counsel to the Oversight Board of the Successor Agency of the City of Morgan Hill. The City Attorney is supported by a Deputy City Attorney and a Paralegal.

The City's risk management function also is supervised and administered by the City Attorney's office. As the City's Risk Manager, the City Attorney reviews and assesses all claims for damages and, when appropriate, recommends settlement to resolve claims at an early stage to avoid costly litigation, oversees the general liability insurance fund budget, reviews all contract insurance and supervises ABAG risk management grants. The risk management function is supported by a part-time risk management analyst and the paralegal.

FY 15-16 ACCOMPLISHMENTS

- Fiscal year 15-16 was a transition year for the City Attorney's office that saw the departure of the previous City Attorney, staffing by an interim contract attorney and the anticipated hiring of a new City Attorney
- Performance of an overall review of risk management goals
- The City Attorney participated in quarterly discussions on regional municipal law issues with city attorneys within Santa Clara County and participated in regional negotiations on county-wide contracts
- Legal review, support and assistance for all major projects of the City were provided
- Litigation:
  Cases Resolved: The following cases were successfully concluded in FY 15-16:
  - Alvarado v. City of Morgan Hill: alleged police misconduct
  - City of Morgan Hill v. Albanese: defective work from Third Street pavers project
  - City of Morgan Hill v. Aviles: code enforcement action
  - Cserna v. City of Morgan Hill : civil rights violation
  - Wendt & Wise v. City of Morgan Hill: trip & fall on sidewalk
- New Litigation:
  - Morgan Hill Hotel Coalition v. City of Morgan Hill: writ compelling City to place Referendum on Ordinance 2131 on the ballot
  - Paulk v. City of Morgan Hill: civil rights violation
- Successor Agency/Wind Down for RDA:
  - Continue to provide advice to Successor Agency employees and the redevelopment bond team (financial advisor, bond counsel, disclosure counsel and independent redevelopment consultant) working to refund the $110,000,000 bond issue from 2008 and timely expend bond proceeds
  - Assisted with the preparation of the Recognized Obligation Payment Schedules

City Attorney (continued)

- Ongoing analysis of the budgetary and legal impacts of AB1X26 and AB 1484

- Downtown Revitalization and Implementation of Long Range Property Management Plan:
  - Assist teammates with construction of Downtown public parking garage
  - Assist in drafting documentation for enhanced public improvements in the downtown area including pop up parks
  - Assist in drafting documentation for City negotiated acquisition of property
  - Assist in drafting documentation to encourage downtown redevelopment
  - Review, negotiate and approve numerous subordination agreements for housing and local business
  - Review, negotiate and approve numerous estoppel agreements for various local developers
- RDCS, BMR Reduced Mitigation Fee Program and Development Fees:
  - Provided advice on RDCS allocation extensions, the implementation of the BMR fee reduction program and responded to fee inquiries
  - Negotiated and prepared amendments and assignments of development agreements and BMR transactions
  - Review and approve multiple housing documentation to enhance below market rate housing within the City for individual units or multiple unit projects and for sale and rental projects
- Capital Improvement Projects:
  - Downtown Improvement Project
- Public Health and Safety:
  - Coordinated with police department on enforcement of animal control ordinances and prosecution of social host, nuisances and other code violations
  - Prepared Medical Marijuana Cultivation and Delivery Ban Ordinance
  - Advise teammates on administrative citation program
  - Advise teammates on vehicle abatement hearing and process
- Employment and Personnel:
  - With the support of outside counsel, assisted human resources employees with several complex cases of employee discipline and claims for workers' compensation and disability
  - Opposed Pitchess motions for disclosure of confidential police personnel records
  - Revise Harassment and Discrimination Policy
  - Revise Sick Leave Policy
- Risk Management:

  Risk Management Analyst:
  - Serve as City's ABAG Plan Liaison
  - Serves on the ABAG's Risk Management Committee
  - Works with Leadership Team to identify and establish City's Annual Risk Management Goals
  - Oversees distribution of ABAG grant funds
  - Establishes insurance requirements for all City contracts (including public bids, RFPs, special events, leases, vendor contracts, construction projects, maintenance agreements, etc.)
  - Assesses insurance compliance for all City contracts; tracks and oversees records management through contract termination dates

City Attorney (continued)

- Advises on insurance matters relating to various City policies and procedures
- Administer ABAG risk management grants and assess training and best practices needs to prevent injury and damage claims
- Serves on City's Safety Committee

- Paralegal:
  - Intake of damage claims and work with ABAG claims adjuster to negotiate and resolve damage claims against the City
- City-wide:
  - Assist teammates in revising the City's Purchasing Code and the development of guidelines for a new Purchasing Policy
  - Revise Temporary Banner Guideline Policy
  - Revise Email Policy
  - Advise regarding the Destruction of City Records pursuant to Records Retention Schedule
  - Review Public Records Act Requests.

ACTIVITY GOALS

FY 16-17

- Provide legal counsel to the Successor Agency and the Oversight Board in the continued winding down of the Redevelopment Agency, disposition of assets and the satisfaction of enforceable obligations and implementation of the long range property management plan
- Review municipal code and update certain provisions to reflect current conditions and practices and to comply with current law
- Advise on General Plan Update
- Assist on the editing and revisions to the Draft Environmental Impact Report for the Anticipated Amendment to the General Plan
- Work on revisions to the Residential Development Control System to develop a future initiative to maintain growth control
- Assist in the negotiation for possible acquisition of property for new sports or cultural uses
- Advise in the review, public hearing process and alternatives to the Southeast Quadrant annexation and Agricultural Mitigation Program
- Revise Municipal Code violations
- Update Bail Schedule and Process with Santa Clara County Court

FY 17-18

- Provide legal review, support and assistance for all major projects of the City
- Review and/or prepare all ordinances, resolutions, contracts, bonds, real estate documents and other legal documents for the City
- Litigate or manage the defense of the City in all litigation and prosecute violations of the Morgan Hill Municipal Code

City Attorney (continued)

- Review and assess all claims for damages and, if appropriate, recommend settlement to resolve claims at an early stage to avoid costly litigation
- Review all contract insurance and supervise ABAG risk management grants

CITY COUNCIL GOALS

The City Attorney's Office will continue to engage in activities that are aligned with the priorities, goals, and strategies the City Council has set for 2016:

Enhancing Public Safety

- Enforcement of animal control ordinances and prosecution of social host, nuisances and other code violations
- Continue to advise teammates on administrative citation program

Protecting the Environment

- Review and revise the Draft Environmental Impact Report for the Anticipated Amendment to the General Plan

Maintaining Fiscal Responsibility

- Assist in proper administration of bond proceeds
- Advise on disposition of former agency assets
- Serve as legal liaison to Oversight Board, Department of Finance and State Controller

Planning Our Community

- Advise on General Plan Update and zoning code update
- Collaborate with teammates to revise the Residential Development Control System to develop a future initiative to maintain growth control

Developing Our Community

- Assist in the negotiation for possible acquisition of property for future sport or cultural facilities
- Advise in the review, public hearing process and alternatives to the Southeast Quadrant annexation and Agricultural Mitigation Program

Improving Our Communication

- Evaluate opportunities for the City to work collaboratively on risk management issues with private property owners

Participating in Regional Initiatives

- Serves on ABAG Plan Corporation Executive Committee and Risk Management Committee
- Continue participation in quarterly discussions on regional municipal law issues with city attorneys within Santa Clara County

City Attorney (continued)

FINANCIAL COMMENTS

The proposed budgets (general fund and all funds) include legal costs for the day-to-day operation of all City operations and for anticipated special counsel costs incurred in ongoing and anticipated litigation. Should unanticipated litigation or extraordinary events requiring specialized legal services arise; the City Attorney will present to the City Council estimated extraordinary legal costs that may require an amendment to the approved budget.

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City Attorney (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	325,663	332,255	257,871	367,119	381,500
41320	EARNED LEAVE LIABILITY	10,746	11,645	11,645	10,962	11,401
41620	RETIREMENT - GENERAL	56,983	59,288	46,047	66,581	71,119
41690	DEFERRED COMPENSATION	5,909	6,009	4,433	3,020	3,110
41700	GROUP INSURANCE	23,872	21,277	22,136	32,720	33,998
41701	MEDICARE	4,482	4,901	3,710	5,205	5,418
41730	INCOME PROTECTION INS	3,347	2,564	2,719	4,026	4,026
41760	WORKERS COMP	8,076	16,613	6,396	9,178	9,538
41799	BENEFITS	6,058	5,724	3,169	6,665	6,665
41900	CONTRACT LABOR	-	192,000	-	37,503	55,000
	Salaries Total	**445,136**	**652,276**	**358,124**	**542,979**	**581,775**
42214	TELEPHONE	1,616	2,652	1,200	1,500	1,530
42230	SPECIAL COUNSEL	4,920	85,038	277,038	72,787	74,243
42231	CONTRACT SERVICES	6,361	32,896	32,623	6,642	6,775
42232	LITIGATION EXPENSES	46	637	150	150	153
42244	STATIONERY & OFFICE SUPPLIES	465	637	636	636	649
42245	COMPUTER HARDWARE-NON CAPITAL	892	330	301	-	-
42248	OTHER SUPPLIES	(8)	605	700	300	306
42250	ADVERTISING	-	266	250	-	-
42252	PHOTOCOPYING	318	637	288	400	408
42254	POSTAGE & FREIGHT	88	530	110	200	204
42257	PRINTING	-	84	85	-	-
42261	AUTO MILEAGE	48	318	50	50	51
42299	OTHER EXPENSE	25	318	-	200	204
42408	TRAINING & EDUCATION	981	2,652	1,100	2,200	2,244
42415	CONFERENCE & MEETINGS	3,060	3,713	3,400	3,200	3,264
42423	MEMBERSHIP & DUES	1,299	1,591	510	1,350	1,377
42435	SUBSCRIPTION & PUBLICATIONS	4,443	4,244	4,400	4,600	4,692
42531	MAINT - FURNITURE/OFFICE EQUIP	-	160	160	-	-
	Supplies Total	**24,554**	**137,307**	**323,001**	**94,215**	**96,099**
45003	GENERAL LIABILITY INSURANCE	4,605	5,517	5,517	7,447	8,192
45004	BUILDING MAINT - CURRENT SERVICES	10,200	9,912	9,912	17,616	16,949
45005	BUILDING MAINT - FUTURE REPLACEMENT	1,597	1,645	1,645	1,694	1,745
45009	INFO SYSTEM SERVICES	10,323	12,084	12,084	24,350	24,350
	Internal Services Total	**26,725**	**29,157**	**29,158**	**51,107**	**51,236**
49241	TRANSFER OUT-BOND/DEBT	5,488	5,488	5,488	3,140	3,619
	Transfer Total	**5,488**	**5,488**	**5,488**	**3,140**	**3,619**
1500 - City Attorney Total		**501,902**	**824,228**	**715,771**	**691,442**	**732,729**

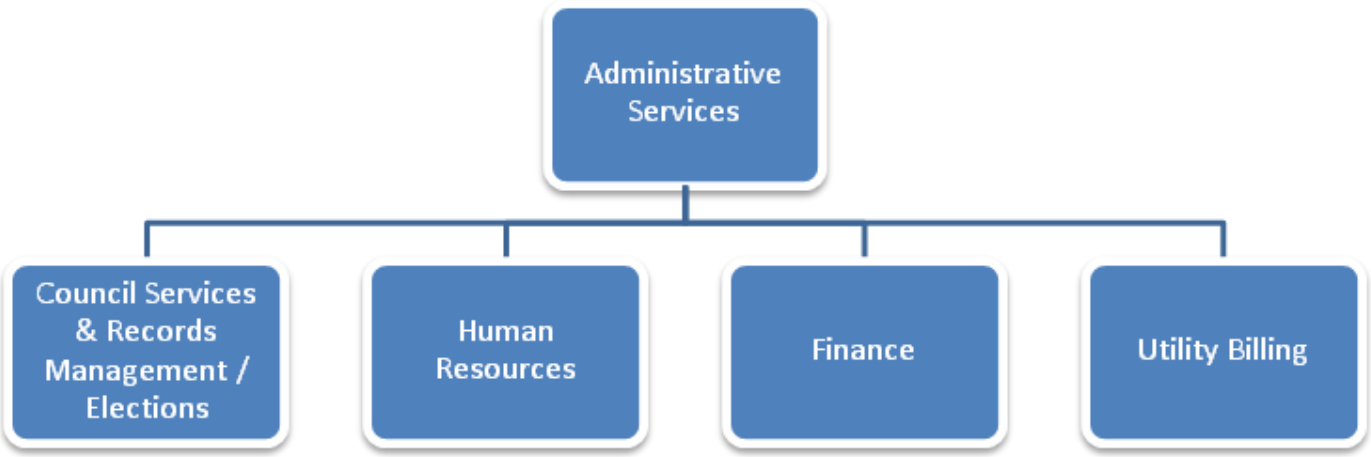
Administrative Services

Appropriations Summary

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Employee Services	$ 2,147,876	$ 2,314,378	$ 2,399,353	$ 2,631,309	$ 2,788,649
Supplies & Services	567,272	525,678	590,322	699,556	528,877
Capital Outlay	53,463	43,803	42,818	24,000	16,120
Debt Services	-	-	-	-	-
Internal Service	277,011	306,835	306,835	417,526	421,195
Transfers Out	31,097	38,138	38,138	30,087	28,023
TOTAL EXPENDITURES	**$ 3,076,719**	**$ 3,228,832**	**$ 3,377,466**	**$ 3,802,478**	**$ 3,782,864**

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
HUMAN RESOURCES	$ 578,740	$ 589,209	$ 584,323	$ 720,771	$ 709,787
COUNCIL SERVICES AND RECORDS MANAGEMENT	583,199	608,543	559,791	577,126	601,195
ELECTIONS	89,772	23,195	100,421	165,522	30,669
FINANCE	1,281,316	1,404,331	1,481,141	1,535,461	1,610,125
UTILITY BILLING	543,691	603,553	651,790	803,598	831,089
TOTAL EXPENDITURES BY PROGRAM	**$ 3,076,719**	**$ 3,228,832**	**$ 3,377,466**	**$ 3,802,478**	**$ 3,782,864**

FULL TIME EQUIVALENT EMPLOYEES	**18.40**	**19.15**	**19.15**	**20.13**	**20.13**


Administrative Services
Council Services & Records Management / Elections
Human Resources
Finance
Utility Billing

Human Resources [010-2200]

DIVISION DESCRIPTION

The purpose of the Human Resources (HR) Division is to attract, develop, and retain a qualified and effective team to provide high quality services. It accomplishes this by designing and implementing recruitment and selection processes that are fair and transparent, cost effective, and result in hiring the best candidates. In addition, Human Resources is responsible for managing the following programs: training and development; benefit administration; employee recognition; employee relations; workers' compensation through a third party administrator; classification and compensation; and provides assistance in all employment-related services. Though managed by Human Resources, workers' compensation and unemployment insurance details can be found in the Internal Services Funds section of the budget document.

Human Resources provides all employment-related services to City departments and employees. It implements Federal and State mandates, the City's Personnel Rules, and Memorandums of Understanding (MOUs) as related to employment. Human Resources is responsible for maintaining all employee personnel files, records, and documentation, including performance evaluation records.

The Human Resources structure has transformed over the last five years. Whereas Human Resources once stood alone as a Department, in FY 11-12 Human Resources became a division under the Administrative Services Department and due to budgetary constraints at the time, the vacant Human Resources Director position was eliminated and replaced with a new Human Resources Manager position. Over the last five years, the Human Resources Manager position has gradually evolved, overseeing all Human Resources programs and activities. It is recommended for FY16-17, that the Human Resources Manager position to be re-classified to Human Resources Director and continue to report to the Assistant City Manager for Administrative Services. Also, as a result of increased demands on Human Resources, savings resulting from the costs associated with a previously approved, but not filled, 0.5 FTE office assistant from passport services, are being recommended for reallocation to HR for a new part-time, benefitted Human Resources Assistant. This new position will assist in improving service delivery and outreach to our internal and external customers by providing critical support for all HR services, such as recruitment and hiring, benefits transactions, training and development, personnel records management, and other HR-related activities.

FY 15-16 ACCOMPLISHMENTS

Benefits Administration

- Implemented on-line benefits open enrollment to allow all benefited teammates access to make their own benefit elections during the open enrollment period
- Conducted annual employee benefits open enrollment on-line process and facilitated an open enrollment outreach at the Corporation Yard

Employee Relations

- Organized Employee Recognition Event at which 37 various team members received awards for special achievement, in advancing the organization's core values of Challenge, Customer Service, Innovation, Professional Growth, Teamwork, and Employee of the Year. Other award categories included: Fist Bump, Thx 26x/yr, and Pathfinder
- Successfully negotiated new, multi-year MOUs with the City's three bargaining units: American Federation of

Human Resources (continued)

State, County, and Municipal Employees (AFSCME), Local 101, Community Service Officers Association (CSOA), and Morgan Hill Police Officers' Association (POA) for 3 1/2 year contracts, all expiring in December 2018

- Partnered with the Leadership Team to organize a Citywide Teammate Appreciation Breakfast

Employee Recruitment and Selection

- Conducted recruitment and selection processes for 23 regular positions
- Created five flexibly-staffed classification series to better meet the needs of departments by providing the flexibility to hire at either level in a series of classifications

Safety and Wellness

- Supported the Morgan Hill Fire Department as they lead the Citywide Safety Program
- Continued to support Work on Wellness (WOW) by providing on-site seminars on various health related topics and hosting a health wellness fair

Training and Organizational Development

- Satisfied the mandated biennial AB1825 Harassment Prevention training by offering the choice to participate in either on-line or in-person training, with a total of 66 managers/supervisors being trained
- Partnered with the City Manager's office to develop, plan, and organize a new one-day Onboarding Orientation for new hires, with plans to schedule quarterly orientations or as needed
- Trained hiring managers to use the on-line applicant tracking software to allow them access to application materials
- Coordinated and scheduled various trainings and webinars on a range of Human Resources topics
- Implemented California's new Paid Sick Leave Law (AB 1522) which took effect on July 1, 2015, which entitles most temporary, part-time, and seasonal employees to accrue and use up to three paid sick leave days in a 12-month period, as long as they work 30 days or more within a year of beginning employment
- Served on the Citywide Emergency Operations Center's (EOC) Logistics Team
- Facilitated a Workflow Process Study for the Administrative Front Counter Team at City Hall

ACTIVITY GOALS

FY 16-17

- Update City of Morgan Hill Personnel Rules
- Collaborate with Information Services and City Manager's office to develop and implement a City Intranet
- Partner with the Fire Department in developing and implementing a volunteer Morgan Hill firefighter program
- Update job descriptions as new recruitments commence and as needed to reflect positions' desired outcomes

FY 17-18

- Provide state-mandated biennial AB1825 Harassment Prevention training to all supervisors and managers and offer the choice to participate in either on-line or in-person training
- Lead the succession planning effort and include a cross-section of teammates from other departments to participate

Human Resources (continued)

COUNCIL GOALS

Protecting the Environment

- Continue to use an on-line applicant tracking software that reduces paper by accepting on-line job applications. This system also allows hiring managers to view applications on-line rather than printing paper copies
- Continue to use an on-line benefits open enrollment software that allows employees to make changes on-line rather than on paper

Maintaining Fiscal Responsibility

- Successfully negotiated fiscally responsible labor agreements with the City's three bargaining groups, while continuing to provide salaries and benefits that attract and retain a qualified workforce

Fostering a Positive Organizational Culture

- Continue to recognize and reward teammates at recognition events, including the annual Teammate Peak Performance Event and Appreciation Breakfast

Preserving and Cultivating Public Trust

- Continue to post labor agreements, employment contracts, job descriptions, and salaries on the City's website

Improving our Communication

- Work with Information Services and City Manager's Office to create a City Intranet to help disseminate information and announce Human Resources events and provide resources
- Provide off-site HR visits to City teammates at other work locations to provide HR information and make presentations when needed

Participating in Regional Initiatives

- Continue representation of Morgan Hill through participation in regional associations relating to Human Resources such as: CalPELRA (California Public Employers Labor Relations Association), LABM (Local Agency Benefit Managers) and SCCHRD (Santa Clara County Human Resources Directors)

FINANCIAL COMMENTS

There is a nominal general fund savings associated with the elimination of temporary part-time salaries in HR, as well as the transfer the half-time, benefitted Human Resources Assistant position from Council Services and Records Management (Passport Services) as discussed above. The net fiscal impact for the reclassification to the Human Resources Director position for the initial year is approximately $19,000.

Human Resources (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	311,531	327,479	337,260	388,570	414,450
41271	SALARIES - PART-TIME TEMP	8,123	25,182	17,000	-	-
41320	EARNED LEAVE LIABILITY	10,242	11,888	11,888	12,603	13,107
41490	OVERTIME - GENERAL	189	-	-	-	-
41620	RETIREMENT - GENERAL	54,574	37,560	62,296	69,965	76,697
41690	DEFERRED COMPENSATION	4,233	6,517	7,090	8,591	9,006
41700	GROUP INSURANCE	22,828	23,316	28,190	36,512	37,679
41701	MEDICARE	4,542	5,152	4,827	5,364	5,724
41701	MEDICARE PTT AND OT	-	-	247	-	-
41730	INCOME PROTECTION INS	3,316	2,848	3,626	4,143	4,143
41760	WORKERS COMP	7,939	16,998	8,663	9,714	10,362
41760	WORKERS COMP PTT AND OT	-	-	425	-	-
41799	BENEFITS	2,231	2,642	3,094	2,768	2,768
	Salaries Total	**429,748**	**459,582**	**484,607**	**538,230**	**573,936**
42214	TELEPHONE	1,884	2,758	1,281	1,308	1,334
42231	CONTRACT SERVICES	54,900	37,794	21,246	71,496	22,926
42244	STATIONERY & OFFICE SUPPLIES	2,208	1,634	1,263	1,256	1,281
42245	COMPUTER HARDWARE-NON CAPITAL	1,708	-	-	1,000	1,020
42246	COMPUTER SOFTWARE-NON CAPITAL	-	-	501	500	510
42248	OTHER SUPPLIES	10,947	450	2,550	2,050	2,091
42252	PHOTOCOPYING	648	888	500	500	510
42254	POSTAGE & FREIGHT	277	553	1,600	1,600	1,632
42257	PRINTING	59	145	400	300	306
42261	AUTO MILEAGE	451	1,591	364	750	765
42299	OTHER EXPENSE	28,429	37,250	25,622	10,700	10,914
42408	TRAINING & EDUCATION	3,208	1,061	550	550	561
42409	CITY-WIDE TRAINING	3,000	10,609	9,545	9,010	9,190
42415	CONFERENCE & MEETINGS	2,281	5,305	5,330	26,000	26,520
42423	MEMBERSHIP & DUES	-	1,114	1,090	1,240	1,265
42435	SUBSCRIPTION & PUBLICATIONS	34	15	400	400	408
	Supplies Total	**110,032**	**101,168**	**72,242**	**128,660**	**81,233**
43845	COMPUTER SOFTWARE	13,740	1,260	275	-	-
	Capital Total	**13,740**	**1,260**	**275**	**-**	**-**
45003	GENERAL LIABILITY INSURANCE	5,078	6,084	6,084	9,447	10,392
45004	BUILDING MAINT - CURRENT SERVICES	8,500	8,260	8,260	19,062	18,341
45005	BUILDING MAINT - FUTURE REPLACEMENT	1,065	1,096	1,096	1,129	1,163
45009	INFO SYSTEM SERVICES	6,920	8,100	8,100	21,103	21,103
	Internal Services Total	**21,562**	**23,540**	**23,540**	**50,741**	**50,998**
49241	TRANSFER OUT-BOND/DEBT	3,659	3,659	3,659	3,140	3,619
	Transfer Total	**3,659**	**3,659**	**3,659**	**3,140**	**3,619**
2200 - Human Resources Total		**578,740**	**589,209**	**584,323**	**720,771**	**709,787**

Council Services and Records Management [010-2410]

DIVISION DESCRIPTION

In conjunction with the City Manager, Council Services and Records Management works to prepare the City Council, Successor Agency, Financing Authority, Wastewater Facilities Financing Authority, Parking Authority, and Oversight Board meeting agendas and packets. Through an agreement with the Santa Clara Valley Habitat Agency, Council Services and Records Management also prepares the Santa Clara Valley Habitat Agency Governing Board, Implementation Board and Public Advisory Committee agendas and packets. This includes coordinating agenda materials and distribution of the packets to the Council and Board Members, employees, and the public. Following the Council and Board meetings, Council Services and Records Management creates the official record of the meetings consisting of transcribing and distributing minutes and ensuring that all legal documents are executed and recorded appropriately and in accordance with the law.

Council Services and Records Management administers the City-wide records management program, overseeing proper maintenance, archiving, retention and destruction of City records and administers the City's document imaging system. Council Services and Records Management also serves as the filing office for filings such as those mandated by the Political Reform Act and AB1234 (Ethics Training), as well as subpoenas, claims, bid processes and other legal filings. In addition to ensuring compliance with the Public Records Act by coordinating with employees throughout the City to accurately locate, compile, review and provide responsive records, Council Services and Records Management also ensures compliance with the Brown Act and is responsible for the codification of ordinances and update of the Municipal Code. Council Services and Records Management serves as the link between citizens and the City Council and provides cross-departmental processing of incoming and outgoing mail and supports the Mayor and Council Members.

Council Services and Records Management also operates the City's Passport Acceptance facility. This service is available to any member of the public. As other agencies have closed their passport facilities, Morgan Hill has seen a steady escalation of passport activity over the past five years. In order to continue to provide a high level of service to both our internal and external customers, the passport operating model has moved to appointment only. This change allows Council Services and Records Management to both provide the continued excellent passport services, as well as, to increase service levels to all customers.

Also, as discussed in the narrative for Human Resources, savings resulting from the costs associated with a previously approved, but not filled, .5 FTE office assistant from passport services, are being recommended for reallocation to HR for a new part-time, benefitted Human Resources Assistant.

For the Recommended Biennial Budget, Staff recommends that the position of Council Services and Records Coordinator be reclassified to Council Services and Records Supervisor to better align the position's tasks and responsibilities. This position will continue to report into the Assistant City Manager for Administrative Services.

FY 15-16 ACCOMPLISHMENTS

- Continued partnership with the Santa Clara Valley Habitat Agency (Agency) to provide the following services:
  - Administrative Services Agreement to provide Agency Board clerk services, including agendas and minutes
  - Property Use Agreement providing office space for the Agency Office, including working with the Information

Council Services and Records Management (continued)

Services Division to renovate the office space for lease

- Continued partnership with the United States Department of State, Passport Agency as a Passport Acceptance facility processing over 1,800 passport applications during the federal fiscal year and acknowledged by the United States Department of State, Passport Agency as a facility that is performing at an outstanding level and provides an excellent service to the community
- Enhanced access of the City Council agenda packets on the City's website by broadcasting all City Council meetings and workshops on the City website using Granicus, thus allowing citizens quick and user-friendly access to meetings and agendas

ACTIVITY GOALS

FY 16-17

- Update the records management program and assist City departments with the indexing, transfer, storage, retrieval, eventual destruction and monitoring of historical documents to the Records Center
- Update and implement the City's Retention Schedule in conjunction with the City Attorney's office
- Facilitate the recruitment, interviews and appointment process to fill various vacancies on the Council's appointed boards and commissions
- Implement and install an electronic filing and tracking system for all form 700 & 800 filing forms and for all campaign disclosure forms
- Process and track Fair Political Practices Commission Statement of Economic Interests and AB1234 training completion certificates
- Mentor and train employees in the processing of California Public Records Act requests, the Brown Act, website agenda posting, minutes production, City Council meeting follow-up, and indexing of historical documents

FY 17-18

- Implement the City's Retention Schedule to manage stored records
- Facilitate the recruitment, interviews and appointment process to fill various vacancies on the Council's appointed boards and commissions
- Process and track Fair Political Practices Commission Statement of Economic Interests and AB1234 training completion certificates
- Mentor and train employees in the processing of California Public Records Act requests, the Brown Act, website agenda posting, minutes production, City Council meeting follow-up, familiarity with Department's policies and procedures, indexing of historical documents

COUNCIL GOALS

Council Services and Records Management will implement policies and activities that are aligned with the priorities, goals and strategies the City Council has set for 2016:

Support Youth

- Continue to support youth by providing tours of City Hall and Council Chamber to the various schools and youth groups within the community

Council Services and Records Management (continued)

Preserving and Cultivating Public Trust

- Continue to provide the City Council agendas to the public in a variety of media to enhance community engagement by exploring the possibilities of providing City Council agendas in Spanish
- Utilize Granicus' Legistar which provides increased employee efficiency and transparency to the public
- Continue to respond to Public Record Requests in a timely manner

Participating in Regional Issues

- Continue representation of Morgan Hill through participation in regional associations relating to Council Services and Records management such as: MMANC (Municipal Managers of Northern California), Northern Division CCAC (California City Clerk's Association), and Northern Division ARMA (Association of Records Managers and Administrators)
- Continue partnership with the Santa Clara Valley Habitat Agency

FINANCIAL COMMENTS

Costs for positions are distributed between the Council Services and Records Management and Elections budgets. There is a reduction in salaries resulting from the transfer the half-time, benefitted Passport Office Assistant position to Human Resources Assistant position.

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Council Services and Records Management (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	310,705	308,014	290,950	284,917	297,959
41210	SALARIES - ELECTED/APPOINTED	2,405	2,448	2,399	2,467	2,545
41271	SALARIES - PART-TIME TEMP	(958)	-	815	-	-
41320	EARNED LEAVE LIABILITY	3,306	4,926	4,926	4,331	4,505
41490	OVERTIME - GENERAL	585	-	-	2,500	2,550
41620	RETIREMENT - GENERAL	54,591	77,985	52,195	51,673	55,546
41690	DEFERRED COMPENSATION	3,682	5,929	4,283	4,794	5,038
41700	GROUP INSURANCE	65,013	68,833	70,677	89,381	93,841
41701	MEDICARE	4,143	4,360	3,836	3,852	4,076
41701	MEDICARE PTT AND OT	-	-	12	36	37
41730	INCOME PROTECTION INS	4,842	3,447	4,593	3,158	3,158
41760	WORKERS COMP	7,807	14,945	7,283	7,185	7,513
41760	WORKERS COMP PTT AND OT	-	-	20	63	64
41799	BENEFITS	1,673	1,806	1,751	1,398	1,398
	Salaries Total	**457,794**	**492,693**	**443,741**	**455,755**	**478,229**
42214	TELEPHONE	2,693	2,971	2,112	2,120	2,162
42231	CONTRACT SERVICES	12,241	10,280	11,790	11,970	12,209
42236	BANK CARD SERVICE FEES	675	378	230	250	255
42244	STATIONERY & OFFICE SUPPLIES	4,719	5,917	5,917	3,000	3,060
42245	COMPUTER HARDWARE-NON CAPITAL	3,304	1,273	1,150	600	612
42246	COMPUTER SOFTWARE-NON CAPITAL	-	637	-	500	510
42248	OTHER SUPPLIES	661	1,061	800	2,500	2,550
42250	ADVERTISING	555	530	530	550	561
42252	PHOTOCOPYING	594	1,000	650	650	663
42254	POSTAGE & FREIGHT	2,588	2,266	2,850	6,160	6,283
42257	PRINTING	221	309	310	310	316
42261	AUTO MILEAGE	1,308	1,200	1,200	1,200	1,224
42298	HABITAT EXPENSE	41	515	73	-	-
42299	OTHER EXPENSE	303	160	160	285	166
42408	TRAINING & EDUCATION	2,799	3,183	4,000	4,500	4,590
42415	CONFERENCE & MEETINGS	1,366	1,957	2,200	3,000	3,060
42423	MEMBERSHIP & DUES	965	1,004	975	1,075	1,097
42435	SUBSCRIPTION & PUBLICATIONS	186	228	121	235	240
	Supplies Total	**35,218**	**34,868**	**35,068**	**38,905**	**39,558**
43845	COMPUTER SOFTWARE	18,050	-	-	6,000	6,120
	Capital Total	**18,050**	**-**	**-**	**6,000**	**6,120**
45003	GENERAL LIABILITY INSURANCE	9,193	10,489	10,489	12,532	13,785
45004	BUILDING MAINT - CURRENT SERVICES	10,200	9,912	9,912	29,645	28,523
45005	BUILDING MAINT - FUTURE REPLACEMENT	1,597	1,645	1,645	1,694	1,745
45009	INFO SYSTEM SERVICES	45,660	53,448	53,448	28,408	28,408
	Internal Services Total	**66,650**	**75,493**	**75,494**	**72,280**	**72,462**
49241	TRANSFER OUT-BOND/DEBT	5,488	5,488	5,488	4,186	4,826
	Transfer Total	**5,488**	**5,488**	**5,488**	**4,186**	**4,826**
2410 - Council Svs & Records Management Total		**583,199**	**608,543**	**559,791**	**577,126**	**601,195**

Elections [010-2420]

DIVISION DESCRIPTION

This Division is headed by the Elected City Clerk, who serves as the Elections Official for the City of Morgan Hill and is also responsible for election procedures, including State of California campaign disclosure filings.

The City Clerk is elected by the citizens of Morgan Hill and administers oaths of office to City of Morgan Hill elected and appointed officials and to City employees.

ACTIVITY GOALS

FY 16-17

- Amend the City's Conflict of Interest Code Reporting Categories and Designated Filers; as warranted and required by the State of California Fair Political Practices Commission
- Implement and install an electronic filing and tracking system for all form 700 & 800 filing forms and for all campaign disclosure forms
- Assist candidates with the nomination process for the November 8, 2016 General Municipal Election
- Facilitate the use of City facility as a polling precinct, if requested by the Santa Clara County, Registrar of Voters

FY 17-18

- Amend the City's Conflict of Interest Code Reporting Categories and Designated Filers; as warranted and required by the State of California Fair Political Practices Commission
- Process and track all campaign, candidate and committee filings using the electronic filing system
- Facilitate the use of City facility as a polling precinct, if requested by the Santa Clara County, Registrar of Voters

FINANCIAL COMMENTS

General Municipal Elections are held in even-numbered years. For FY 16-17 funding is included for the election of officers. For the five seats up for election, the estimated cost is $96,021. In the 2014 election, the cost for three seats was $70,612 and in 2012 the cost for five seats was $68,000. Funds have been allocated for a potential City initiated measure. Funds have also been allocated in the 207 fund for a potential RDCS extension ballot measure. No funding is included for elections expenses for FY 17-18.

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Elections (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	9,886	9,944	10,553	11,277	11,614
41320	EARNED LEAVE LIABILITY	170	197	197	277	288
41620	RETIREMENT - GENERAL	1,722	1,720	1,884	2,045	2,165
41690	DEFERRED COMPENSATION	99	199	105	113	116
41700	GROUP INSURANCE	2,034	2,089	2,122	2,256	2,367
41701	MEDICARE	131	146	137	142	148
41730	INCOME PROTECTION INS	120	100	122	122	122
41760	WORKERS COMP	245	497	262	282	290
41799	BENEFITS	102	102	102	103	103
	Salaries Total	**14,509**	**14,994**	**15,484**	**16,617**	**17,213**
42214	TELEPHONE	25	62	30	30	31
42231	CONTRACT SERVICES	70,612	1,660	77,361	140,600	5,000
42244	STATIONERY & OFFICE SUPPLIES	97	266	186	200	204
42250	ADVERTISING	972	515	2,000	1,000	1,020
42252	PHOTOCOPYING	82	212	130	75	77
42254	POSTAGE & FREIGHT	26	106	25	50	51
42257	PRINTING	-	212	-	-	-
42408	TRAINING & EDUCATION	2,882	4,562	4,562	5,500	5,610
42423	MEMBERSHIP & DUES	105	113	113	115	117
42435	SUBSCRIPTION & PUBLICATIONS	287	283	320	400	408
	Supplies Total	**75,088**	**7,991**	**84,727**	**147,970**	**12,517**
45003	GENERAL LIABILITY INSURANCE	175	210	210	278	306
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	657	632
	Internal Services Total	**175**	**210**	**210**	**935**	**938**
2420 - Elections Total		**89,772**	**23,195**	**100,421**	**165,522**	**30,669**

Finance [010-2510]

DIVISION DESCRIPTION

Finance maintains the financial records of the City and prepares financial and statistical data applicable to all funds of the City and the Successor Agency to the former Redevelopment Agency.
Responsibilities include cash management; investment; budgeting; financial forecasting; accounting; cashier operations; business license administration; debt management; payroll; purchasing; payables; receivables (including billing and collection of City accounts); financial system information and support to other departments.

Finance works closely with the elected City Treasurer to assure timely and appropriate investment of City funds, in compliance with the City's Investment Policy and Procedures.

For the Recommended Biennial Budget, Finance is requesting a high level accounting manager position to improve span of control and service delivery and to provide much needed cross-training of Finance teammates. The workload over the years has continued to increase and an additional teammate will ensure complete, accurate, and timely financial reporting. In addition, this position would be instrumental in the implementation of internal control procedures that were recommended by the City's independent external auditor. Also, staff recommends the reclassification of the Assistant Finance Director to the Finance Director classification to better align the position's tasks and responsibilities. This position will continue to report into the Assistant City Manager for Administrative Services.

FY 15-16 ACCOMPLISHMENTS

- The City received an award from the Government Finance Officers Association (GFOA) for achieving the highest standards in governmental accounting and financial reporting for the FY 14-15 Comprehensive Annual Financial Report; the City has received the award 21 consecutive years
- The City received the GFOA and California Society of Municipal Finance Officers (CSMFO) awards for excellence in budgeting for the FY 15-16 Operating and CIP Budget
- On behalf of the City Manager, conducted several reviews and revisions of the current and five-year revenue, expenditure, and fund balance projections for all major funds in accordance with the City Council's sustainable budget strategy. As part of formulating the FY 16-18 Budget document, worked with the City Manager to create five-year projections of revenue, expenditures and fund balance for all major funds
- Coordinated, compiled, audited and submitted to the County and State one semi-annual and one annual Recognized Obligation Payment Schedules (ROPS) and the corresponding true-ups of actual expenditures from prior ROPS periods
- Completed periodic reporting on post-issuance compliance for tax-advantaged bonds to City Council
- Implemented Business License track of TRAKiT automated building permitting system
- Purchased and implemented Tyler's Eden Advanced Budgeting software to assist in management and monitoring of the budget process
- Worked with City Manager and department heads to implement a two-year budget process
- Together with Public Works and NBS, completed the City's Comprehensive Water and Wastewater Rate Study, resulting in water and wastewater rate adjustments which were adopted by City Council
- At City Council direction, successfully completed refinancing of several outstanding bond issues at lower interest rates, resulting in significant savings for the City and for taxpayers located in the City's two large business parks –

Finance (continued)

Morgan Hill Ranch and Madrone Business Park

- Worked with City Manager to address the City's PERS pension and retiree health insurance (OPEB) unfunded obligations by establishing a Trust Fund, with Public Agency Retirement Services (PARS) as Trust Administrator
- At City Council direction, worked with the City's Economic Development Team in selecting the audit firm of DavisFarr to initiate an audit on Transient Occupancy Tax (TOT) reporting and remittance

ACTIVITY GOALS

FY 16-17

- Continue to support the City Manager and operating departments in monitoring and refining the 5-year projections of revenues, expenditures and fund balances for all major funds
- Continue to work with DavisFarr and the City's Economic Development Team to finalize the TOT audit and present the audit results to City Council
- Continue to work with Information Services to refine reports within the financial accounting system
- Continue to cross-train Finance teammates in various functions to ensure continuity of department operation and effective succession planning
- Evaluate and implement automated fixed assets software to streamline the management and monitoring of City's fixed assets

FY 17-18

- Continue to support the City Manager and operating departments in monitoring and refining the 5-year projections of revenues, expenditures and fund balances for all major funds
- Continue to work with City's Economic Development Team to manage and monitor TOT reporting and remittance
- Continue to cross-train Finance teammates in various functions to ensure continuity of department operation and effective succession planning

COUNCIL GOALS

Finance (including Utility Billing) will continue to engage in activities that are aligned with the priorities, goals and strategies the City Council has set for 2016:

Maintain Fiscal Responsibility

- Continue to safeguard City's assets and maintain and implement appropriate controls to ensure financial compliance with regulations
- Continue City tradition of developing a prudent and balanced budget with effective long-term financial planning

Participate in Regional Issues

- Continue representation of Morgan Hill through participation in regional associations relating to Finance such as: League of California Cities, California Society of Municipal Finance Officers, California Municipal Revenue and Tax Association, Association for Government Accountants (AGA), and County of Santa Clara Finance Officers Group

Finance (continued)

Preserving and Cultivating Public Trust

- Continue to be transparent by posting City employee compensation by employee name and by compensation element, on the City's website within 3 months after calendar year end
- Continue timely preparing and reporting of City's financial and investment reports to keep City officials, community and stakeholders informed on the financial health of the City

FINANCIAL COMMENTS

Finance is a division of the Administrative Services Department and is funded in part by the general fund, and through the general fund administrative cost allocation plan. The net fiscal impact for the accounting manager position is approximately $143,000 per year. The net fiscal impact for the reclassification to the Finance Director position for the initial year is approximately $5,000.

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Finance (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	650,502	699,606	694,755	758,407	800,723
41210	SALARIES - ELECTED/APPOINTED	2,405	2,448	2,399	2,467	2,545
41271	SALARIES - PART-TIME TEMP	16,696	20,000	61,292	20,000	21,000
41320	EARNED LEAVE LIABILITY	11,244	9,322	9,322	10,491	10,910
41490	OVERTIME - GENERAL	7,993	2,575	9,000	9,000	10,000
41620	RETIREMENT - GENERAL	117,107	108,891	132,032	137,842	149,573
41690	DEFERRED COMPENSATION	12,059	13,981	13,612	16,603	17,574
41700	GROUP INSURANCE	85,258	96,779	107,685	117,232	122,573
41701	MEDICARE	9,087	10,567	9,476	9,293	9,907
41701	MEDICARE PTT AND OT	-	-	1,019	421	450
41730	INCOME PROTECTION INS	6,926	6,592	7,378	7,550	7,550
41760	WORKERS COMP	17,016	35,663	18,993	19,086	20,148
41760	WORKERS COMP PTT AND OT	-	-	1,757	725	775
41799	BENEFITS	3,031	4,095	5,241	4,554	4,554
	Salaries Total	**939,323**	**1,010,519**	**1,073,961**	**1,113,670**	**1,178,282**
42214	TELEPHONE	6,281	7,702	7,702	8,000	8,300
42231	CONTRACT SERVICES	84,032	69,105	69,105	83,500	86,000
42233	AUDIT FEES	32,805	70,959	80,000	49,000	55,000
42236	BANK CARD SERVICE FEES	27,303	23,574	24,458	24,000	24,000
42244	STATIONERY & OFFICE SUPPLIES	16,455	10,017	11,012	10,300	10,600
42245	COMPUTER HARDWARE-NON CAPITAL	4,494	4,000	6,000	4,000	4,000
42246	COMPUTER SOFTWARE-NON CAPITAL	506	-	352	500	500
42248	OTHER SUPPLIES	1,037	500	1,550	1,000	1,000
42250	ADVERTISING	1,301	234	1,500	3,000	1,500
42252	PHOTOCOPYING	2,464	2,997	2,997	3,100	3,200
42254	POSTAGE & FREIGHT	7,992	8,509	8,509	8,800	9,000
42257	PRINTING	2,325	465	2,500	2,600	2,700
42261	AUTO MILEAGE	597	530	500	600	700
42408	TRAINING & EDUCATION	1,082	7,416	4,000	5,000	5,000
42415	CONFERENCE & MEETINGS	1,319	2,163	1,500	2,000	2,000
42423	MEMBERSHIP & DUES	735	806	1,020	1,000	1,000
42435	SUBSCRIPTION & PUBLICATIONS	406	424	424	500	500
42531	MAINT - FURNITURE/OFFICE EQUIP	-	361	-	-	-
	Supplies Total	**191,136**	**209,762**	**223,129**	**206,900**	**215,000**
43845	COMPUTER SOFTWARE	21,673	42,543	42,543	10,000	10,000
	Capital Total	**21,673**	**42,543**	**42,543**	**10,000**	**10,000**
45003	GENERAL LIABILITY INSURANCE	14,271	17,622	17,622	24,536	26,990
45004	BUILDING MAINT - CURRENT SERVICES	33,999	33,039	33,039	51,468	49,520
45005	BUILDING MAINT - FUTURE REPLACEMENT	5,322	5,482	5,482	5,646	5,816
45009	INFO SYSTEM SERVICES	57,299	67,072	67,072	114,867	114,867
	Internal Services Total	**110,892**	**123,215**	**123,215**	**196,518**	**197,192**
49241	TRANSFER OUT-BOND/DEBT	18,293	18,293	18,293	8,373	9,651
	Transfer Total	**18,293**	**18,293**	**18,293**	**8,373**	**9,651**
2510 - Finance Total		**1,281,316**	**1,404,331**	**1,481,141**	**1,535,461**	**1,610,125**

Utility Billing [650-5750]

DIVISION DESCRIPTION

Utility Billing is responsible for the monthly billing of fees for water and wastewater services. With a customer base of approximately 13,500 active accounts, the Utility Billing function continues to emphasize customer satisfaction by assisting customers with opening and closing accounts; at the counter with payments and questions; and providing consistent high quality customer service on the telephone regarding account status and accepting credit card payments, particularly online. Utility Billing staff also responds to general City Hall inquiries and refers City customers to appropriate departments.

FY 15-16 ACCOMPLISHMENTS

- Maintained the Online Utility Billing website to reflect most current information
- Implemented real time data upload to customer accounts for web access
- Performed services study to ensure the best possible configuration for City Hall customer service, in which utility billing plays a significant part
- Provided analytical data as requested for Water and Wastewater rate study
- Implemented processes to improve past due collections

ACTIVITY GOALS

FY 16-17 and 17-18

- Provide customer support, assistance and information to address on-going drought
- Perform major upgrade of billing software (Incode) and create test environment
- Prepare and issue Request for Proposal for bill print and mail services
- Promote e-billing to improve customer service (faster delivery) and reduce use and cost of supplies
- Continue to promote the use of online bill pay and the new WaterSmart data accessibility features
- Analyze division processes for effectiveness and develop priorities for ongoing tasks
- Update, as necessary, divisional procedures manuals

COUNCIL GOALS

The activities below align with the priorities, goals, and strategies the City Council has set for 2016:

Preserving and cultivating public trust

- Ensuring utility bills are generated accurately and on-time
- Protecting the Environment
- Promoting paperless billing and electronic payment enrollment through online bill pay service
- Enhancing Our Services
- Promoting the WaterSmart feature, allowing customers to monitor their own water consumption in real time

Improving Our Communication

- Ensuring all customer service requests are replied within 1 business day
- Utilizing bill mailing inserts feature to communicate various Citywide information

FINANCIAL COMMENTS

The Utility Billing function is the responsibility of Finance, and is funded by water and wastewater utility user fees.

Utility Billing (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	197,034	217,289	252,168	336,543	359,139
41320	EARNED LEAVE LIABILITY	5,916	4,385	4,385	5,942	6,180
41490	OVERTIME - GENERAL	330	-	1,800	1,250	1,250
41620	RETIREMENT - GENERAL	34,610	42,198	45,436	61,035	66,951
41690	DEFERRED COMPENSATION	2,443	3,212	4,841	6,625	7,075
41700	GROUP INSURANCE	55,473	51,825	58,719	77,545	81,375
41701	MEDICARE	2,564	3,170	3,187	4,406	4,763
41701	MEDICARE PTT AND OT	-	-	26	18	18
41730	INCOME PROTECTION INS	2,194	2,345	2,742	3,609	3,609
41760	WORKERS COMP	4,898	10,864	6,340	8,414	8,979
41760	WORKERS COMP PTT AND OT	-	-	45	31	31
41799	BENEFITS	1,040	1,302	1,871	1,618	1,618
	Salaries Total	**306,503**	**336,590**	**381,560**	**507,037**	**540,988**
42214	TELEPHONE	2,100	5,305	5,305	5,464	5,628
42231	CONTRACT SERVICES	50,478	50,071	50,071	51,573	53,120
42236	BANK CARD SERVICE FEES	45,260	59,489	59,489	61,274	61,274
42244	STATIONERY & OFFICE SUPPLIES	979	1,273	1,528	1,311	1,351
42245	COMPUTER HARDWARE-NON CAPITAL	4,808	1,000	1,000	1,030	1,061
42246	COMPUTER SOFTWARE-NON CAPITAL	-	-	2,500	-	-
42248	OTHER SUPPLIES	237	-	116	-	-
42252	PHOTOCOPYING	108	115	100	118	122
42254	POSTAGE & FREIGHT	50,248	53,045	53,045	54,636	56,275
42257	PRINTING	947	849	1,200	950	950
42261	AUTO MILEAGE	123	-	-	-	-
42408	TRAINING & EDUCATION	492	743	743	765	788
42415	CONFERENCE & MEETINGS	-	-	59	-	-
42435	SUBSCRIPTION & PUBLICATIONS	20	-	-	-	-
	Supplies Total	**155,798**	**171,889**	**175,156**	**177,121**	**180,569**
43840	COMPUTER EQUIPMENT	-	-	-	8,000	-
	Capital Total	**-**	**-**	**-**	**8,000**	**-**
45003	GENERAL LIABILITY INSURANCE	4,816	5,769	5,769	9,142	10,056
45004	BUILDING MAINT - CURRENT SERVICES	6,800	6,608	6,608	20,969	20,175
45005	BUILDING MAINT - FUTURE REPLACEMENT	1,065	1,096	1,096	1,129	1,163
45009	INFO SYSTEM SERVICES	21,554	25,230	25,230	17,857	17,857
45010	GF ADMIN	43,498	45,673	45,673	47,956	50,354
	Internal Services Total	**77,732**	**84,376**	**84,376**	**97,052**	**99,604**
49241	TRANSFER OUT-BOND/DEBT	3,659	3,659	3,659	4,186	4,826
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	7,039	7,039	10,202	5,101
	Transfer Total	**3,659**	**10,698**	**10,698**	**14,388**	**9,927**
5750 - Utility Billing Total		**543,691**	**603,553**	**651,790**	**803,598**	**831,089**

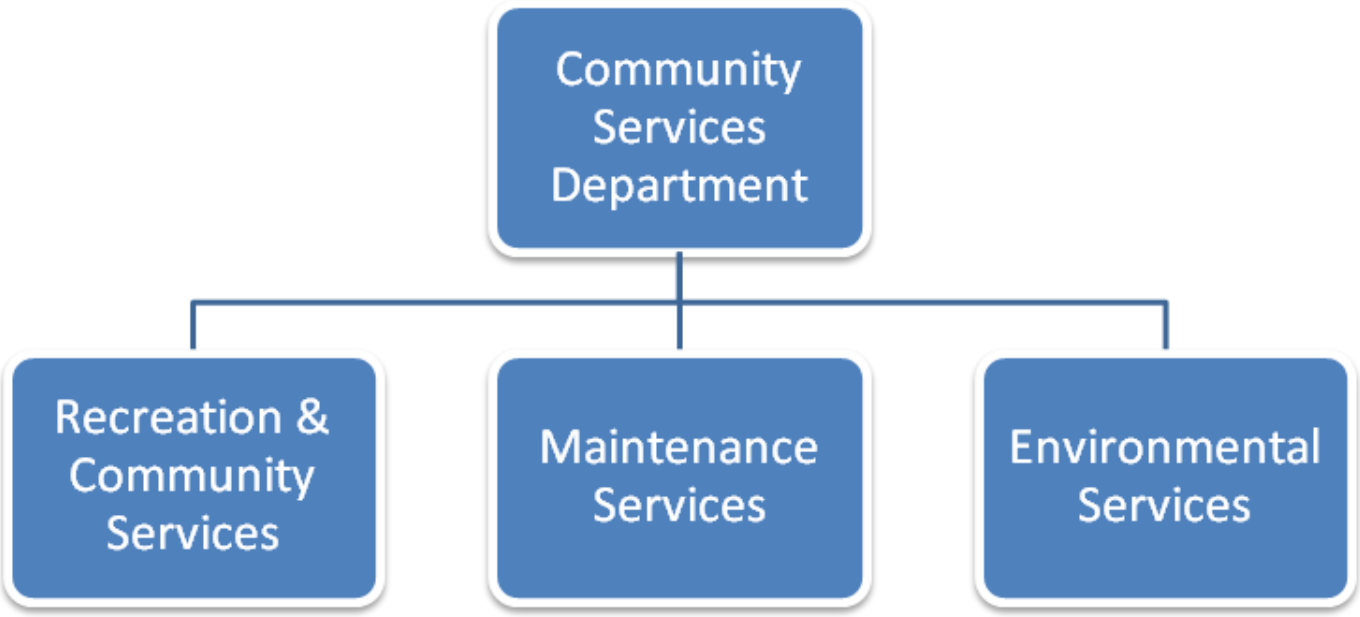
Community Services Department

Appropriations Summary

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Employee Services	$ 3,576,279	$ 4,186,528	$ 4,186,310	$ 4,623,047	$ 4,795,325
Supplies & Services	4,371,559	4,614,817	3,918,092	4,006,617	4,145,852
Capital Outlay	19,781	-	-	-	-
Debt Services	-	111,184	111,184	111,184	111,184
Internal Service	2,739,771	2,757,113	2,757,114	3,142,378	3,219,968
Transfers Out	7,880	77,113	77,113	33,166	24,834
Project Expenditure	134,382	904,426	505,622	1,320,000	1,235,000
TOTAL EXPENDITURES	**$ 10,849,652**	**$ 12,651,180**	**$ 11,555,435**	**$ 13,236,392**	**$ 13,532,162**

MEMBERSHIP & PROGRAM SERVICES	$ 4,799,505	$ 5,430,020	$ 5,105,877	$ 5,529,949	$ 5,705,469
FACILITY SERVICES	1,148,312	1,165,700	1,181,200	1,250,321	1,299,184
COMMUNITY SERVICES	384,140	588,216	533,501	719,212	753,414
CABLE	49,236	43,649	44,875	48,258	49,444
PARKS MAINTENANCE (GENERAL FUND)	(9,524)	-	-	-	-
DOWNTOWN MAINTENANCE	22,584	104,156	50,500	241,610	273,020
ENVIRONMENTAL PROGRAMS	199,887	377,544	327,881	270,064	277,102
STREET MAINTENANCE	2,633,380	1,984,006	1,975,763	2,064,401	2,131,389
LIGHTING AND LANDSCAPING DISTRICT	159,315	193,007	167,766	197,192	183,031
COMMUNITY FACILITIES DISTRICT	6,612	30,284	5,583	42,432	43,411
BURROWING OWL	220,626	-	-	-	-
STORMWATER POLLUTION PREVENTION	120,157	301,956	271,738	331,142	345,420
PARKS MAINTENANCE (NON-GENERAL FUND)	1,004,512	1,025,413	930,724	924,698	933,151
AGRICULTURE PRESERVATION AND OPEN SPACE	17,167	979,972	609,972	1,449,843	1,367,224
WATER CONSERVATION	93,743	427,256	350,055	167,270	170,905
TOTAL EXPENDITURES BY PROGRAM	**$ 10,849,652**	**$ 12,651,180**	**$ 11,555,435**	**$ 13,236,392**	**$ 13,532,162**

FULL TIME EQUIVALENT EMPLOYEES	**21.7875**	**22.7875**	**23.3375**	**23.5575**	**23.5575**


Community Services Department
Recreation & Community Services
Maintenance Services
Environmental Services

Community Services Department

The Community Services Department consists of three divisions responsible for public service delivery. The department's Recreation and Community Services Division operates the Centennial Recreation Center, Dennis Kennedy Aquatics Center, Outdoor Sports Center, Community & Cultural Center, Amphitheater, Community Playhouse, Friendly Inn Non-Profit Service Center, Skate Board/BMX Park, and associated services. The Maintenance Division maintains 125 street miles; 125 sidewalk miles; 8 trail miles; 3,700 street lights; 470 open space/park acres; urban forestry; and a landscaping assessment district. The Environmental Services Division manages the Environmental Agenda, water conservation, stormwater pollution prevention, solid waste management and recycling, and telecommunications regulation. The three divisions were consolidated in to one department in FY 11-12 as a part of the organization's effort to streamline service delivery so that the Morgan Hill Community continues to receive the highest level of service possible.

Recreation and Community Services Team

Over the past decade the Recreation and Community Services Team has achieved significant success by managing the division with flexibility, creativity and a focus on cost recovery. As a result, recreation services have been provided to the Morgan Hill Community at near 100% direct cost recovery. In FY 15-16 the division placed a emphasis on facility maintenance, outreach to increase program participation and community services. The maintenance emphasis resulted in significant resources being allocated for maintenance, including several one-time enhancement projects. The focus on programming provided for strong revenue growth in various program areas. However, increased focus on community services, including Senior Services and Commission support required increased financial support for non-revenue generating services. The division continues to operate with a high level of direct cost recovery.

In FY 16-17 the division will focus on three key areas: a continued focus on maintenance of our recreation facilities, sustained cost recovery, and community outreach to increase participation in recreation programs from all segments of the community. Resources dedicated to maintenance improvement projects and community services functions, along with other factors have contributed to increased costs for FY 16-17 which accounts for a lower level of direct cost recovery than in past years. Since the division utilizes many part-time teammates to provide service, the recently approved state minimum wage will be one of the larger factors relating to increased costs in future years. In FY 17-18, planned fee increases will increase revenue significantly and support greater cost recovery.

RCSD Budget Summary Table

	14-15 Actual	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
RCSD Revenue	$ 6,224,569	$ 6,521,414	$ 6,726,818	$ 7,092,875
RCSD Expenditure	$ 6,331,958	$ 6,820,578	$ 7,499,482	$ 7,758,067
Transfers In	**$ 50,000**	**$ 60,000**	**$ 75,000**	**$ 75,000**
RCSD Net Impact	**$ (57,389)**	**$ (239,164)**	**$ (697,664)**	**$ (590,192)**

Community Services Department (continued)

The division will continue to focus on maintaining a high level of cost recovery while looking for ways to maximize the level of community access to services. The division partners strategically with community organizations that have goals in line with the City's priorities. These partnerships are a key for successful operation of the recreation facilities. A focus on youth remains a top priority in alignment with Council's goals.

Community Services Maintenance Team

The maintenance of City streets, parks, buildings and other facilities is the responsibility of the Community Services Maintenance Team. This approach continues to provide flexibility and allows the team to leverage the skills, abilities, and resources in maintaining parks, streets, public spaces and facilities. The use of contractors and seasonal temporary teammates remains a cost-effective and flexible approach for addressing maintenance issues. Contractors are typically used to complete both repetitive maintenance tasks, e.g., lawn mowing, at a reduced cost and high-level tasks, e.g., street striping, that require special equipment and expertise. As the skill level of the Team's full-time permanent team members grows, the Team is able to take on additional projects that previously were completed by contractors at a higher cost. The overall effect of this blended approach is a cost-effective method to address the maintenance of the City's public infrastructure.

Improving quality of services provided by both, in-house team members and contractors, will be a priority for FY 16-17. New resources will be dedicated to supporting the quality assurance Citywide. Additionally, implementing a maintenance plan for the newly renovated downtown will be the other top priority for the Team.

Environmental Services Team

The largest priority for the Environmental Services Team over the last two years has been coordinating the City's drought response effort and supporting the community in reaching the water conservation goals established by the City, Water District, and the State. In addition to supporting the community-wide effort, the Team has managed several water conservation projects at City facilities over the last year. Many of the Team's projects are focused on maintaining the City's compliance with State environmental mandates – while progressing on implementing the City's Environmental Agenda and supporting the Council's goal of actively participating in regional issues that impact the Morgan Hill community. Participation in the development of a regional Community Choice Energy program has been and will remain a focus for the Team.

Council Goals

The Community Services Department will implement policies and activities that are aligned with the priorities, goals and strategies the City Council has set for 2016:

Enhancing public safety

- Maintain safe conditions for motorists, bicyclists and pedestrians utilizing the City's roadways and sidewalks through street maintenance activities

Protecting the environment

- Coordinate the City's drought response efforts to meet the established local, regional, and state water use

Community Services Department (continued)

reduction goals
- Support the implementation of the county-wide Community Choice Energy JPA

Maintaining fiscal responsibility
- Continue to balance cost recovery with community access while providing recreation services
- Review fees on an ongoing basis to support cost recovery efforts

Supporting youth
- Continue to educate the community on the 41 Developmental Asset model by providing staff training, mentoring youth to lead monthly asset presentations during City Council meetings
- Continue to actively participate in the South County Youth Task Force
- Continue to focus on building relationships with youth through positive interactions
- Continue to offer programs that intentionally build youth assets
- Host monthly "Community Asset Builders" meetings to coordinate efforts of Morgan Hill's youth serving organizations
- *Invest the park capital funds for new parks and trails to meet the recreational needs of our growing community*

Preserving and cultivating public trust
- Continue to distribute the monthly Calendar of Events to the entire Morgan Hill Community
- Use of Volunteers in Support of:
  - Recreation Activities and Programs
  - Community Planning Processes
  - Park Maintenance and Beautification Projects
- Ensure that the City's contract processes for materials, services, and capital projects are transparent, clear, and structured so that the City receives the best value

Planning Our Community
- Complete the update to the Bicycles, Trails, Parks and Recreation Master Plan

Developing Our Community
- Support implementation of agricultural preservation through the purchase of preservation easements
- Support the Morgan Hill Inclusive Playground Committee in the effort to raise funds for an Inclusive Playground at Community Park

Enhancing Our Services
- Implement plan to provide maintenance services to the Downtown at an elevated level

Improving Our Communication
- Support the preparation and posting of agendas, minutes, and video for meetings of the Library, Culture and Arts Commission and the Parks and Recreation Commission

Community Services Department (continued)

Participate in Regional Initiatives

- Participate in the county-wide Task Force on Water Efficient New Development
- Continue to participate in the South Valley Youth Task Force
- Support the County led South County United for Health Initiative
- Coordinate City efforts on an Age-Friendly City designation with the overall County effort in this area

Membership and Program Services [010-2140]

DIVISION DESCRIPTION

The Membership and Program Services Division is responsible for managing the City's recreation facilities' membership model service delivery system and a wide range of recreation programs, activities, and events. Customers of all ages participate in classes, special events, sports leagues, youth camps, swim lessons, and many other activities. Resources are dedicated to attracting and retaining facility members, daily fee customers, and program participants. Since 2001, the City has made a significant investment in constructing recreation facilities. Each facility was designed with the intent that complementary recreational programs and services would be offered to the Morgan Hill community. Today, the primary program areas include youth and teen programs, aquatics, special events, adult programs, preschool programs, health and wellness activities, culture and arts, sports leagues, sports camps, and special interest programs.

Division team members manage the City's active recreation services as one integrated system that serves as the hub for community health, wellness, and fitness. For FY 16-17, Centennial Recreation Center (CRC)/ Dennis Kennedy Aquatics Center (AC) monthly membership totals are projected to average 4,800 units and over 15,000 members and 4,900 units in FY 17-18. The membership provides members access to both the CRC and AC facilities for one price that can either be paid in full on an annual basis or incrementally on a monthly basis. Daily admission rates are also available at both facilities. Core membership services include access to the Fitness Center, Kids Club, recreation swim, fitness programs, lap swim, aqua fitness, gymnasium activities, and Skateboard/BMX Park, among others.

The "Spirit of Partnership" is the foundation for operations. The City works in partnership with the YMCA of Silicon Valley to provide a wide array of services to facility members and daily customers. Building on the initial success of the CRC, the partnership management team has an expanded role in membership services at the Dennis Kennedy Aquatics Center as well. While full-time staff members oversee program operations, the actual program implementation is performed by part-time/seasonal employees or by contracted services.

The Division continues to support the Council's goal of "supporting youth" by being a partner in the community-oriented youth agenda with the Morgan Hill Police Department, Morgan Hill Unified School District, Mt. Madonna YMCA, Discovery Counseling Center and a long list of other local youth serving agencies. In order to promote asset development in young people, the Division continues to offer a myriad of programs and services for youth focused on building positive relationships.

FY 15-16 ACCOMPLISHMENTS

- Maintained average monthly membership level at 4,700 units and concluded the year with 4,900 units (15,000 members)
- Offered an average of 100 group exercise classes at the CRC and Community and Cultural Center (CCC)
- Added an afternoon recreation preschool class
- Grew the men's basketball league from one night to two nights and started an adult co-ed softball league
- Continued to grow participation in Morgan Hill Splash aquatics programs, that includes a youth swim team, water polo club, and diving team, with average monthly membership of 120 youth
- Conducted two Junior Lifeguard training programs for middle school age youth
- Hosted the third annual *Doggie Dip Day* and second annual *Polar Bear Plunge* at the Dennis Kennedy Aquatics

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Membership and Program Services (continued)

Center

- Offered free admission to the Aquatics Center on three days, Morgan Hill Community Days, serving 446 residents
- Updated the Aquatics Strategic Plan and developed a CRC Membership Strategic Plan
- Offered an inflatable aquatics obstacle course for use at the Dennis Kennedy Aquatics Center and CRC that increased Aquatics Center attendance and enhanced member experience
- Hosted *the Splash 2 Dash Youth Triathlon and second annual Get Fit Obstacle Course Challenge*
- Provided annual in-service training to all department staff with a focus on Developmental Assets
- Improved our communication by adding digital display boards at the Community and Cultural Center and Dennis Kennedy Aquatics Center and published the Recreation Activity Guide one additional time per year (increase from two to three issues)

ACTIVITY GOALS

FY 16-17

- Continue to support the Council's ongoing priority of supporting youth
- Evaluate opportunities to enhance the CRC's collaborative operating model
- Implement the strategic plans for CRC membership and Aquatics
- Retain CRC membership base to maintain a monthly average of 4,800 membership units and to conclude the year with 4,900 units (15,500 members)
- Celebrate the CRC's 10th anniversary
- Continue to grow the number of contract recreation classes and camps offered
- Provide annual in-service training to all department staff with a focus on Developmental Assets

FY 17-18

- Continue to support the Council's ongoing priority of supporting youth
- Evaluate opportunities to enhance the CRC's collaborative operating model
- Implement the strategic plans for CRC membership and Aquatics
- Retain CRC membership base to maintain a monthly average of 4,900 membership units and to conclude the year with 5,000 units (15,500 *(should this number increase - same as 16/17 above)* members)
- Continue to grow the number of contract recreation classes and camps offered
- Provide annual in-service training to all department staff with a focus on Developmental Assets

COUNCIL GOALS

Enhancing public safety

- Provide safe recreation programs and facilities to promote youth asset development

Supporting youth

- Educate the community on the 41 Developmental Asset model by providing staff training, promoting the asset of the month through signage and email blasts, and including information in the Department's Recreation Activity Guide
- Offer programs that intentionally build youth assets, some of which include pre-school programs, after school

Membership and Program Services (continued)

programs, summer and school break camps, volunteer opportunities, CRC Girls' Club and Boys' Club, Splash Swim Team, swim lessons and Junior Lifeguard program
- Actively participate in the Morgan Hill Community Asset Builders (CAB) collaborative whose mission is to promote and facilitate healthy youth values, leadership skills, and wellness through various community endeavors
- Continue to promote the scholarship program, providing over $135,000 annually in subsidies, with the YMCA providing an additional $28,000 for non-residents.
- Actively participate in the South County Youth Task Force

Enhancing Our Services
- Continue to provide community gathering places that are enjoyed regularly by 25% of the community
- Evaluate opportunities to enhance the CRC's collaborative operating model
- Continue to host approximately 10 swim meets per year at the Dennis Kennedy Aquatics Center, which draw thousands of youth and families to Morgan Hill

Improving Our Communication
- Continue to manage a responsive comment card system
- Participate in an annual SEER Member Satisfaction Survey
- Continuously seek improved streamlined membership processing

FINANCIAL COMMENTS

Prior to FY 08-09, the City operated the Centennial Recreation Center, Aquatics Center, and recreation programs as independent divisions. Once combined to operate as one integrated division, the City was able to reduce duplication, leverage resources, and add value to the community membership model. As a result, the annual tax investment for these services has been reduced.

Today, Membership and Program Services is responsible for generating the largest percentage of revenue for Recreation and Community Services and is the General Fund's third largest source of revenue (behind property and sales tax). This market driven revenue source is dependent on attracting and retaining members and daily customers. Membership grew significantly each year since the facility was opened through FY 12-13. The growth rate began to plateau in FY 13-14 as the facility reached its load limit and an unprecedented community penetration rate (percentage of the population that is members – currently 25%) stabilized. The continued focus for FY 2016-17 and 2017-18 will be on retaining the existing customer base through member engagement initiatives, while promoting services to realize new customer growth and providing well maintained facilities and equipment. Slight increases to infrastructure maintenance expenses are proposed for FY 2016-17. In total, an estimated $5,760,000 in revenue will be generated in FY 2016-17 and $6,070,000 in FY 2017-18 to support service delivery. The Division will continue to promote its scholarship program, providing over $135,000 annually to individuals and families, with the YMCA providing an additional $28,000 for non-residents.

Membership and Program Services (continued)

Partnership Summary Table FY 2016/17

	City Total Revenue	City Total Expense	City Projected Net Gain
CRC/AC Partnership	$4,031,936	$1,373,878	$2,658,058
Senior Services	$0	$0	$0
Member Initiation Fee	$74,000	$37,000	$37,000
Total	$4,105,936	$1,410,878	$2,695,058

CRC/AC Partnership Detail

Health and Wellness	$4,031,936	$1,295,260	$2,736,676
Teens	$0	$78,618	-$78,618

Membership and Program Services (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	445,714	450,145	449,386	493,363	519,101
41271	SALARIES - PART-TIME TEMP	800,274	986,628	986,628	1,028,345	1,040,165
41320	EARNED LEAVE LIABILITY	7,054	10,478	10,478	11,525	11,986
41490	OVERTIME - GENERAL	3,356	5,305	5,305	5,464	5,573
41620	RETIREMENT - GENERAL	102,068	80,324	101,087	89,477	96,771
41690	DEFERRED COMPENSATION	5,612	7,115	6,749	7,763	8,166
41700	GROUP INSURANCE	42,618	45,523	40,178	49,790	51,564
41701	MEDICARE	17,682	20,947	16,815	7,016	7,381
41701	MEDICARE PTT AND OT	-	-	14,383	14,990	15,163
41730	INCOME PROTECTION INS	5,284	5,268	5,131	5,691	5,691
41760	WORKERS COMP	31,889	47,107	29,376	12,334	12,978
41760	WORKERS COMP PTT AND OT	-	-	24,798	25,845	26,143
41799	BENEFITS	2,188	2,562	2,566	2,584	2,584
41800	UNIFORM	-	-	5,000	5,100	5,202
	Salaries Total	**1,463,740**	**1,661,401**	**1,697,881**	**1,759,288**	**1,808,469**
42214	TELEPHONE	19,260	21,430	21,430	22,073	22,514
42226	CONTRACT INSTRUCTORS	-	90,700	101,758	128,943	140,300
42228	GASOLINE & OIL	1,267	1,485	1,485	1,530	1,560
42231	CONTRACT SERVICES	157,260	63,467	63,467	81,202	101,540
42236	BANK CARD SERVICE FEES	41,349	45,310	45,310	46,669	48,069
42241	YMCA SERVICES	1,232,301	1,630,383	1,254,226	1,295,260	1,407,905
42244	STATIONERY & OFFICE SUPPLIES	15,289	13,792	12,000	14,206	14,490
42245	COMPUTER HARDWARE-NON CAPITAL	10,108	10,503	15,000	10,818	11,034
42246	COMPUTER SOFTWARE-NON CAPITAL	-	-	-	3,600	3,672
42248	OTHER SUPPLIES	79,335	73,801	74,222	110,405	86,113
42250	ADVERTISING	1,238	530	500	546	557
42251	MARKETING/PROMOTIONS	61,123	87,524	87,524	90,150	91,953
42252	PHOTOCOPYING	7,135	11,670	11,670	12,020	12,260
42254	POSTAGE & FREIGHT	4,951	4,712	4,712	3,500	4,950
42255	PURCHASES-CONCESSIONS	426	796	796	820	836
42256	PURCHASES-RETAIL	14,712	16,974	16,974	17,483	17,833
42257	PRINTING	928	1,591	1,978	1,639	1,672
42261	AUTO MILEAGE	240	849	849	871	888
42263	TB/DRUG/FINGERPRINTING	10,970	12,731	12,731	13,113	13,375
42299	OTHER EXPENSE	11,762	12,731	12,500	13,000	13,260
42306	YOUTH ADVISORY COM.	711	-	-	-	-
42408	TRAINING & EDUCATION	2,913	2,334	3,319	2,404	2,452
42415	CONFERENCE & MEETINGS	4,858	5,835	5,835	6,010	6,130
42423	MEMBERSHIP & DUES	1,819	3,183	3,183	3,278	3,344
42435	SUBSCRIPTION & PUBLICATIONS	288	160	400	400	408
42526	MAINT - AUTO/TRUCKS	405	1,061	1,061	1,093	1,115
	Supplies Total	**1,680,648**	**2,113,552**	**1,752,930**	**1,881,033**	**2,008,230**
43825	MACHINERY/EQUIPMENT	19,781	-	-	-	-
	Capital Total	**19,781**	**-**	**-**	**-**	**-**
45003	GENERAL LIABILITY INSURANCE	17,405	17,524	17,524	16,190	17,809
45004	BUILDING MAINT - CURRENT SERVICES	1,342,435	1,334,739	1,334,739	1,438,578	1,431,455
45005	BUILDING MAINT - FUTURE REPLACEMENT	145,939	150,317	150,317	154,827	159,471
45006	FLEET REPLACEMENT	7,608	9,737	9,737	10,561	10,561
45009	INFO SYSTEM SERVICES	121,949	142,749	142,749	269,473	269,473
	Internal Services Total	**1,635,337**	**1,655,067**	**1,655,066**	**1,889,628**	**1,888,769**
2140 - Membership Services and Recreation Programs Total		**4,799,505**	**5,430,020**	**5,105,877**	**5,529,949**	**5,705,469**

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Facility Services [010-2150]

DIVISION DESCRIPTION

The Facility Services Division is responsible for event management, facility leases and daily reservations for use of the City's park and recreation amenities. Customer activities include social and business events at the Community & Cultural Center (CCC), City-wide events, and use of the City's athletic fields by local youth athletic associations among many others. The Division is responsible for the concessionaire agreement for management of the City's Outdoor Sports Center. The facility is a driver for sports tourism for the City with nearly 500,000 visits annually.

Balancing cost-recovery with community access and affordability is the foundation for all recreation service delivery. The Facility Rental Team strives to balance local and regional use in order to ensure that the Morgan Hill community's recreation facility needs are satisfied, while at the same time encouraging individuals and groups from the Bay Area to utilize the City's facilities. This provides the City with an opportunity to serve its local athletic groups and generate additional revenue from large tournament rentals, including sales and transient occupancy taxes.

The Facility Rental Team continually evaluates facility usage, user demand and Community Services Department program needs. The team will be working on increasing rental of facilities during underutilized time periods. Two timeframes of focus are Friday evenings and Sunday afternoons. The team will also work toward increasing utilization by balancing membership, program and rental activities within the CCC.

FY 15-16 ACCOMPLISHMENTS

- Increased CCC rental revenue by increasing rentals during hours of traditional low use
- Continued to market new pricing strategy for weekend rentals and cross-train part-time teammates at all facilities with an extra emphasis on customer service
- Negotiated an extension to the concessionaire agreement for the Outdoor Sports Center

ACTIVITY GOALS

FY 16-17

- Develop a long term transition strategy for future management and marketing structure of the Outdoor Sports Center and sports tourism for the City
- Create a marketing strategy and pricing structure to begin renting the top of the parking structure
- Review all rental fees in coordination with community groups

FY 17-18

- Develop marketing strategy to rent underutilized facilities such as the Council Chambers and Community Playhouse
- Review and renew lease agreement with South Valley Civic Theater at the Community Playhouse

Council Goals

Supporting Youth

- Provide low cost "community use" for a variety of youth serving organizations

Facility Services (continued)

Developing Our Community

- Continue to manage partnership with the operator at the OSC which brings in year-round sports events and tournaments
- Continue to pursue regional and national swim meets being held at the AC

improving Our Communication

- Continue to provide a community board/table for sharing of community information as well as managing community use of the digital display board at the CCC

Participate in Regional Initiatives

- Continue to provide a venue of choice at the CCC for public meetings held by other agencies, such as Santa Clara Valley Water District (SCVWD), Santa Clara Valley Transportation Authority (VTA) and other Santa Clara County agencies

FINANCIAL COMMENTS

The primary revenue sources for the Facility Rentals division include the Gavilan College lease, Community & Cultural Center room rentals, South Valley Civic Theater Playhouse lease, Aquatics Center pool rentals, and the Outdoor Sports Center concessionaire agreement with the Morgan Hill Youth Sports Alliance. In total, an estimated $850,000 in revenue will be generated in FY16-17 and $910,000 in FY 17-18 to support service delivery.

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Facility Services (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	249,244	256,942	267,130	278,100	291,804
41270	SALARIES - PART-TIME	21	-	-	-	-
41271	SALARIES - PART-TIME TEMP	107,857	111,022	110,571	121,162	125,062
41320	EARNED LEAVE LIABILITY	2,725	3,899	3,899	5,070	5,273
41490	OVERTIME - GENERAL	1,414	2,122	2,122	2,186	2,230
41620	RETIREMENT - GENERAL	44,699	45,849	50,565	50,437	54,398
41690	DEFERRED COMPENSATION	2,559	4,348	3,346	3,764	4,016
41700	GROUP INSURANCE	29,878	32,031	34,396	37,658	39,363
41701	MEDICARE	4,947	5,394	4,880	3,719	3,925
41701	MEDICARE PTT AND OT	-	-	1,634	1,789	1,846
41730	INCOME PROTECTION INS	2,893	2,649	2,969	2,979	2,979
41760	WORKERS COMP	8,911	15,653	8,753	6,953	7,296
41760	WORKERS COMP PTT AND OT	-	-	2,817	3,084	3,182
41799	BENEFITS	1,626	1,929	1,933	1,948	1,948
	Salaries Total	**456,774**	**481,838**	**495,014**	**518,848**	**543,322**
42214	TELEPHONE	7,977	9,018	9,018	9,289	9,475
42231	CONTRACT SERVICES	36,820	21,696	23,957	26,866	27,403
42236	BANK CARD SERVICE FEES	3,480	2,731	3,065	2,813	2,869
42244	STATIONERY & OFFICE SUPPLIES	3,568	2,652	2,652	2,732	2,787
42245	COMPUTER HARDWARE-NON CAPITAL	2,866	1,167	1,167	1,202	1,226
42246	COMPUTER SOFTWARE-NON CAPITAL	207	-	-	-	-
42248	OTHER SUPPLIES	3,353	3,395	3,462	3,669	3,742
42250	ADVERTISING	75	106	106	109	111
42252	PHOTOCOPYING	1,767	2,122	2,122	2,186	2,230
42254	POSTAGE & FREIGHT	71	106	150	150	153
42257	PRINTING	74	318	200	318	324
42261	AUTO MILEAGE	54	266	266	274	279
42299	OTHER EXPENSE	224	266	-	-	-
42408	TRAINING & EDUCATION	639	1,061	1,061	1,093	1,115
42415	CONFERENCE & MEETINGS	1,642	2,122	2,122	2,186	2,230
42423	MEMBERSHIP & DUES	233	530	531	547	558
42435	SUBSCRIPTION & PUBLICATIONS	-	212	212	218	222
	Supplies Total	**63,049**	**47,767**	**50,091**	**53,652**	**54,725**
45003	GENERAL LIABILITY INSURANCE	5,166	6,189	6,189	8,197	9,017
45004	BUILDING MAINT - CURRENT SERVICES	519,753	516,936	516,936	570,548	590,950
45005	BUILDING MAINT - FUTURE REPLACEMENT	65,000	67,821	67,821	69,856	71,951
45009	INFO SYSTEM SERVICES	38,570	45,149	45,149	29,220	29,220
	Internal Services Total	**628,489**	**636,095**	**636,095**	**677,821**	**701,138**
2150 - Facility Services Total		**1,148,312**	**1,165,700**	**1,181,200**	**1,250,321**	**1,299,184**

Community Services [010-2180]

DIVISION DESCRIPTION

The Community Services Division is responsible for department-wide strategic planning, park planning and acquisition, working with the community's non-profit and public service organizations, providing staff support to the Parks and Recreation Commission (PRC) and Library, Culture, and Arts Commission (LCAC), non-revenue generating program support, and managing tenant leases of the Friendly Inn Non-Profit Service Center.

The Community Services Division is responsible for the management of several community support programs, including the Centennial Recreation Teen Center, Centennial Recreation Senior Center, Skate Park, Village Avante After School Program and Youth Action Council. None of these programs are supported by program revenue.

The Friendly Inn is home to several non-profits who pay a use fee that is equal to each organizations share of the building maintenance and utility costs. The facility now also houses offices for over a half-dozen non-profit organizations. The Silicon Valley Chapter of the American Red Cross, Morgan Hill Home Group of Narcotics Anonymous, South Valley Fellowship of Alcoholics Anonymous, Advent Ministries Step Up Outpatient Adolescent Recovery Program, Teen Force, California Youth Outreach, Work 2 Future, the Healthier Kids Foundation, and the State Employment Development Department offer services at the facility.

FY 15-16 ACCOMPLISHMENTS

- Increased the activity at the Friendly Inn through the addition of new tenants
- The Youth Action Council organized a successful Youth Leadership Morgan Hill event and a 11th Annual Senior Citizens Ball
- Facilitated over 5,200 entries at the Skate/BMX Park
- Co-hosted the Morgan Hill Values Youth Fair
- Entered into an option to purchase agreement that met the Council's priority for the development of a youth baseball/softball complex
- Develop concept designs for downtown Parks and Trails
- Provided outreach events at local apartment complexes
- Recruited an Older adult Services Supervisor and adopted a plan to designate Morgan Hill as an Age-Friendly City
- Offered a successful three-part Summer Fun in the Park series at Galvan Park

ACTIVITY GOALS

FY 16-17

- Complete the acquisition of park land according to established Council priorities
- Support the construction of parks and trails in the downtown
- Support the completion of the update to the City Bikeways, Trails, Parks and Recreation Master Plan
- Support the development and completion of the PRC's and LCAC's Council work plans
- Implement the Age-Friendly City workplan
- Increase program offerings at the Senior Center
- Develop a plan for fundraising opportunities to subsidize Senior Center operations
- Continue to support the Healthier Kids Foundation in implementation of the Council's Youth Health Initiative

Community Services (continued)

- Continue to co-host the Morgan Hill Values Youth Fair
- Continue to provide an afterschool program at Village Avante Apartments utilizing CalGRIP Grant funds
- Engage the Crest Avenue neighborhood and host a Summer Fun in the Parks Series
- Support the completion of workplans of the PRC and LCAC

FY 17-18

- Continue to implement the Age-Friendly City workplan
- Continue to increase program offerings at the Senior Center
- Implement plan for fundraising opportunities to subsidize Senior Center operations
- Continue to support the Healthier Kids Foundation in implementation of the Council's Youth Health Initiative
- Continue to co-host the Morgan Hill Values Youth Fair
- Continue to provide an afterschool program at Village Avante Apartments utilizing CalGRIP Grant funds
- Engage the Crest Avenue neighborhood and host a Summer Fun in the Parks Series
- Support the completion of workplans of the PRC and LCAC

COUNCIL GOALS

Enhancing public safety

- Continue to provide an afterschool program at Village Avante Apartments utilizing CalGRIP Grant funds
- Engage the Crest Avenue neighborhood to host a Summer Fun in the Parks Series

Maintaining fiscal responsibility

- Develop a plan for fundraising opportunities to subsidize Senior Center operations

Supporting youth

- Continue to coordinate the Council's annual community promotion funding which provides support to several major family oriented/youth friendly community events
- Continue to partner with the YMCA to offer teen activities at the CRC Teen Center
- Continue to provide staff support to the City's Youth Action Council
- Co-host the Morgan Hill Values Youth Fair
- Operate the afterschool program at Village Avante Apartments utilizing CalGRIP Grant funds
- Continue to manage and operate the Non-Profit Service Center at the Friendly Inn

Preserving and Cultivating Public Trust

- Continue providing Staff Liaison support to LCAC and PRC

Planning Our Community

- Continue park planning and acquisition efforts
- Actively pursue the design and development of downtown parks and trails in cooperation with other City Departments and the Community

Community Services (continued)

Developing Our Community

- Continue to coordinate the Council's annual community promotion funding which provides support to several major community events which draw visitors to Morgan Hill
- Continue to coordinate the Council's annual community promotion funding

Improving Our Communication

- Continue to engage stakeholders in implementing the Age Friendly City action plan for the Morgan Hill Community
- Perform a variety of engagement activities to gather input for the Bikeways, Trails, Parks and Recreation Master Plan Update

FINANCIAL COMMENTS

The Community Services Division operations are primarily supported by General Fund discretionary revenues while staff time spent on park acquisition activities is funded with capital fund resources.

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Community Services (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	121,681	218,086	199,454	237,991	252,076
41271	SALARIES - PART-TIME TEMP	31,581	80,831	80,831	138,661	143,252
41320	EARNED LEAVE LIABILITY	2,312	3,409	3,409	4,766	4,957
41490	OVERTIME - GENERAL	1,581	-	1,000	1,030	1,051
41620	RETIREMENT - GENERAL	21,343	38,915	35,729	43,162	46,992
41690	DEFERRED COMPENSATION	1,604	3,683	1,816	2,133	2,230
41700	GROUP INSURANCE	14,251	34,163	20,230	22,984	23,650
41701	MEDICARE	2,137	4,351	3,314	3,385	3,582
41701	MEDICARE PTT AND OT	-	-	1,187	2,026	2,092
41730	INCOME PROTECTION INS	1,313	2,144	2,261	2,627	2,627
41760	WORKERS COMP	3,791	12,909	5,794	5,950	6,302
41760	WORKERS COMP PTT AND OT	-	-	2,046	3,492	3,608
41799	BENEFITS	873	1,179	1,755	1,783	1,783
	Salaries Total	**202,469**	**399,670**	**358,827**	**469,990**	**494,201**
42214	TELEPHONE	1,733	1,120	1,120	1,153	1,177
42231	CONTRACT SERVICES	300	10,000	10,000	33,800	34,006
42241	YMCA SERVICES	101,852	78,795	64,325	78,618	82,549
42245	COMPUTER HARDWARE-NON CAPITAL	-	-	-	1,000	1,020
42248	OTHER SUPPLIES	3,284	5,422	5,422	8,445	8,614
42250	ADVERTISING	115	212	212	218	222
42252	PHOTOCOPYING	382	796	1,500	1,550	1,581
42254	POSTAGE & FREIGHT	65	106	50	106	108
42257	PRINTING	-	106	106	109	111
42261	AUTO MILEAGE	-	1,000	500	500	510
42299	OTHER EXPENSE	-	6,000	6,000	6,430	6,309
42306	YOUTH ADVISORY COM.	9,831	6,695	7,145	6,895	7,033
42408	TRAINING & EDUCATION	-	400	400	412	420
42415	CONFERENCE & MEETINGS	-	750	750	773	788
42423	MEMBERSHIP & DUES	-	350	350	350	357
42440	BOARDS & COMMISSIONS	-	530	531	-	-
	Supplies Total	**117,561**	**112,283**	**98,411**	**140,359**	**144,806**
45003	GENERAL LIABILITY INSURANCE	2,276	4,825	4,825	6,446	7,091
45004	BUILDING MAINT - CURRENT SERVICES	44,225	51,598	51,598	50,153	55,019
45005	BUILDING MAINT - FUTURE REPLACEMENT	1,065	1,096	1,096	1,129	1,163
45009	INFO SYSTEM SERVICES	12,887	15,085	15,085	51,135	51,135
	Internal Services Total	**60,453**	**72,604**	**72,604**	**108,863**	**114,407**
49241	TRANSFER OUT-BOND/DEBT	3,659	3,659	3,659	-	-
	Transfer Total	**3,659**	**3,659**	**3,659**	**-**	**-**
2180 - Community Services Total		**384,140**	**588,216**	**533,501**	**719,212**	**753,414**

Cable Services [010-5140]

ACTIVITY DESCRIPTION

The Environmental Services Division is responsible for supporting cable television customer service, administering the public access contract, overseeing the City's cell tower licenses, and responding to customer concerns with other telecommunications providers.

The Media Access Coalition of Central California, through their Morgan Hill Access Television Project, has been the City's public access provider for many years. Their contract was renewed in 2013 and does not expire until August, 2016. Cable television services in Morgan Hill are provided by the State's franchised provider, Charter Communications. The City has several site licenses with cellular phone companies using City-owned land for their transmission facilities.

FY 15-16 ACCOMPLISHMENTS

- Assisted customers in obtaining customer service from Charter Cable and Verizon

ACTIVITY GOALS

FY 16-17

- Establish new contract for public access services
- Monitor changes in the telecommunications regulatory arena and access services
- Respond to queries for new cell tower site opportunities on City properties and negotiate agreements as needed

FY 17-18

- Monitor changes in the telecommunications regulatory arena and access services
- Respond to queries for new cell tower site opportunities on City properties and negotiate agreements as needed

FINANCIAL COMMENTS

No significant changes are proposed for the funding for this activity. Payments for access television support received from Charter Cable of approximately $49,000 are split equally between the City, for governmental access purposes, and the City's public access provider. Cell site license revenues of approximately $130,000 are received annually and are distributed to the park maintenance fund and water fund accordingly.

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Cable Services (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	11,783	11,502	11,623	12,021	12,365
41320	EARNED LEAVE LIABILITY	864	909	909	307	319
41620	RETIREMENT - GENERAL	2,062	2,052	2,078	2,180	2,305
41690	DEFERRED COMPENSATION	224	230	233	239	244
41700	GROUP INSURANCE	1,197	1,229	1,241	1,309	1,364
41701	MEDICARE	164	168	161	158	163
41730	INCOME PROTECTION INS	120	132	121	121	121
41760	WORKERS COMP	292	575	289	301	309
41799	BENEFITS	51	51	181	187	187
	Salaries Total	**16,757**	**16,848**	**16,837**	**16,823**	**17,377**
42214	TELEPHONE	501	212	212	218	222
42231	CONTRACT SERVICES	30,455	25,000	26,156	29,116	29,698
42248	OTHER SUPPLIES	98	-	26	50	51
42415	CONFERENCE & MEETINGS	-	318	318	328	335
42435	SUBSCRIPTION & PUBLICATIONS	1,250	1,061	1,116	1,116	1,138
	Supplies Total	**32,304**	**26,591**	**27,828**	**30,828**	**31,445**
45003	GENERAL LIABILITY INSURANCE	175	210	210	278	306
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	329	316
	Internal Services Total	**175**	**210**	**210**	**607**	**622**
5140 - Cable Television Total		**49,236**	**43,649**	**44,875**	**48,258**	**49,444**

Downtown Maintenance [010-5460]

ACTIVITY DESCRIPTION

The activities accomplished with this budget address maintenance of the special features and amenities that the City has constructed in the Downtown area to support commerce, public gatherings, and numerous events. These special features and amenities include numerous parking lots, large medians, a newly constructed parking structure and the downtown streetscape.

These major improvements require a higher level of maintenance support than previously needed downtown. The City will continue to use a combination of contractors, part-time teammates, and full-time teammates to maintain the Downtown.

FY 15-16 ACCOMPLISHMENTS

- Initiated maintenance of Parking Structure and expanded streetscape areas
- Significantly increased level of maintenance including daily maintenance visits

ACTIVITY GOALS

FY 16-17

- Conduct frequent inspections to ensure that a higher level of maintenance is consistently achieved
- Evaluate maintenance services and fine tune service delivery approach to match needs, expectations, and the City's resources
- Plan for maintenance of downtown park facilities to be opened in FY 17-18

FY 17-18

- Continually evaluate services to ensure that a higher level of maintenance is consistently achieved
- Initiate maintenance of new downtown parks

COUNCIL GOALS

Enhancing Our Services

- Ensuring proper resources are allocated to Downtown Maintenance Services

FINANCIAL COMMENTS

Funding for this activity has been increased in recognition of the additional Downtown amenities and heightened maintenance expectations.

Downtown Maintenance (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	-	-	-	57,324	63,464
41271	SALARIES - PART-TIME TEMP	-	-	-	6,580	6,712
41620	RETIREMENT - GENERAL	-	-	-	10,396	11,831
41700	GROUP INSURANCE	-	-	-	12,408	13,020
41701	MEDICARE	-	-	-	944	1,035
41701	MEDICARE PTT AND OT	-	-	-	831	920
41730	INCOME PROTECTION INS	-	-	-	912	912
41760	WORKERS COMP	-	-	-	1,433	1,587
41760	WORKERS COMP PTT AND OT	-	-	-	1,433	1,587
	Salaries Total	**-**	**-**	**-**	**92,261**	**101,067**
42205	TAXES	-	9,000	-	-	-
42208	ELECTRIC	1,066	16,000	4,000	12,000	12,240
42210	WATER/SEWER	2,182	8,156	2,000	8,156	8,319
42231	CONTRACT SERVICES	18,722	56,500	30,000	109,730	111,925
42248	OTHER SUPPLIES	613	4,500	4,500	7,635	7,788
	Supplies Total	**22,584**	**94,156**	**40,500**	**137,521**	**140,271**
45003	GENERAL LIABILITY INSURANCE	-	-	-	1,528	1,681
45005	BUILDING MAINT - FUTURE REPLACEMENT	-	10,000	10,000	10,300	30,000
	Internal Services Total	**-**	**10,000**	**10,000**	**11,828**	**31,681**
5460 - Downtown Maintenance Total		**22,584**	**104,156**	**50,500**	**241,610**	**273,020**

Environmental Programs [010-5800]

ACTIVITY DESCRIPTION

The City Council has adopted an Environmental Agenda designed to guide programs and policy development in support of a healthier community. In the past several years, the Environmental Team has focused the Environmental Agenda implementation on activities that reduce the City operations' carbon footprint directly. Work on a Community Climate Action Plan was begun in FY 12-13 in support of the Planning Division and continues.

The Environmental Services Division is responsible for oversight of the City's franchise agreement for solid waste management services and waste reduction programs needed to meet the legal requirements of the California Integrated Waste Management Act of 1989 (AB 939). These programs include source reduction, recycling, composting, public education, and household hazardous waste management. Ensuring that solid wastes and household hazardous wastes are properly collected, recycled, and managed is a core service protecting public health. Nearly every household participates in the recycling program and nearly 10% of all households now participate annually in the household hazardous waste management program.

FY 15-16 ACCOMPLISHMENTS

- Participated in development of new Community Choice Energy program
- Supported Planning Division's efforts to develop Climate Action Plan
- Provided service to the City of Gilroy on solid waste management issues on a fee basis
- Continued to promote a variety of recycling programs for businesses and residents to maintain compliance with State regulatory requirements for waste diversion

ACTIVITY GOALS

FY 16-17

- Continue promoting waste reduction programs to support State regulations
- Administer the solid waste franchise to ensure that excellent customer service is provided
- Continue to support the development and implementation of a Community Climate Action
- Support the kick-off of the Community Choice Energy program
- Assist with implementation of energy efficiency and production measures for City facilities

FY 17-18

- Continue promoting waste reduction programs to support State regulations
- Administer the solid waste franchise to ensure that excellent customer service is provided
- Assist with implementation of energy efficiency and production measures for City facilities

COUNCIL GOALS

Protecting the Environment

- All of the work of this Division directly supports the City Council's ongoing priority to protect the environment

FINANCIAL COMMENTS

In addition to the General Fund, other revenue sources for this program include waste fees of $95,000 and $29,000 in service contract fees from the City of Gilroy. Costs for Household Hazardous Waste Services are expected to range

Environmental Programs [010-5800]

between a total of $95,000 and $105,000 annually. It is anticipated that this entire amount will be funded directly by solid waste tipping fees that get paid to the County and not by City funds. In total, an estimated $124,000 in revenue will be generated in FY 16-17 to support service delivery.

Environmental Programs (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	106,875	105,016	107,129	101,832	104,772
41320	EARNED LEAVE LIABILITY	7,607	8,101	8,101	2,617	2,722
41620	RETIREMENT - GENERAL	18,700	18,739	19,148	18,468	19,532
41690	DEFERRED COMPENSATION	1,969	2,015	2,061	1,933	1,976
41700	GROUP INSURANCE	10,779	11,067	11,247	10,562	11,007
41701	MEDICARE	1,485	1,533	1,486	1,341	1,385
41730	INCOME PROTECTION INS	1,045	1,070	1,055	992	992
41760	WORKERS COMP	2,650	5,251	2,657	2,546	2,619
41799	BENEFITS	608	684	1,854	1,719	1,719
	Salaries Total	**151,719**	**153,476**	**154,738**	**142,010**	**146,724**
42214	TELEPHONE	71	84	-	-	-
42228	GASOLINE & OIL	88	-	-	-	-
42231	CONTRACT SERVICES	31,857	41,527	41,527	41,527	42,358
42244	STATIONERY & OFFICE SUPPLIES	24	212	430	-	-
42245	COMPUTER HARDWARE-NON CAPITAL	-	106	1,043	1,000	1,020
42248	OTHER SUPPLIES	3	106	357	-	-
42250	ADVERTISING	1,444	10,609	10,609	10,927	11,146
42252	PHOTOCOPYING	8	1,061	1,061	1,093	1,115
42254	POSTAGE & FREIGHT	132	212	2,000	2,060	2,101
42257	PRINTING	1,951	2,122	2,122	2,186	2,230
42261	AUTO MILEAGE	578	1,061	-	-	-
42299	OTHER EXPENSE	503	153,183	100,162	51,000	52,020
42408	TRAINING & EDUCATION	178	530	195	-	-
42415	CONFERENCE & MEETINGS	663	530	531	545	556
42423	MEMBERSHIP & DUES	105	318	350	361	368
42435	SUBSCRIPTION & PUBLICATIONS	-	-	350	-	-
	Supplies Total	**37,605**	**211,662**	**160,737**	**110,699**	**112,912**
45003	GENERAL LIABILITY INSURANCE	1,488	1,783	1,783	2,223	2,445
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	2,958	2,846
45009	INFO SYSTEM SERVICES	9,075	10,623	10,623	12,175	12,175
	Internal Services Total	**10,563**	**12,406**	**12,406**	**17,356**	**17,466**
5800 - Environmental Services Total		**199,887**	**377,544**	**327,881**	**270,064**	**277,102**

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Street Maintenance: Lighting, Vegetation Control, Storm Drain, and Pavement Repair [010-6100]

ACTIVITY DESCRIPTION

Under this budget activity, the Community Services Maintenance Team maintains the City's roadway system in good repair to provide safe and serviceable roadways at all times. Activities that support this mission are maintenance of sidewalks, curb & gutter, storm drain infrastructure, 3,700 street lights, 45 traffic signals and beacons, street signage, pavement, pavement markings and street trees. The Team also provides roadside weed abatement for fire prevention, debris removal, winter storm response and assistance to the Police Department with traffic control and accident cleanup.

FY15-16 ACCOMPLISHMENTS

- Continued annual program to seal and refresh City owned parking lot facilities
- Completed multiple sidewalk repair projects to protect public safety
- Completed extensive winter storm system maintenance work, including inspecting and cleaning catch basins, storm hot spot locations, and other storm system infrastructure to prepare for El Nino rainy season
- Completed priority areas of weed abatement for fire prevention within the city right of way
- Completed pilot project using fire camp prisoners to abate weeds in Butterfield Channel

ACTIVITY GOALS

FY 16-17

- Continue to monitor landscape water use in medians and linear parks and minimize water usage to support City water use reductions
- Continue annual program to seal and refresh City owned parking lot facilities
- Continue replacing traffic signs found to be below retroreflectivity standards

FY 17-18

- Continue to monitor landscape water use in medians and linear parks and minimize water usage to support City water use reductions
- Continue annual program to seal and refresh City owned parking lot facilities
- Continue replacing traffic signs found to be below retroreflectivity standards

COUNCIL GOALS

Enhancing public safety

- Street maintenance activities provide for maintaining safe conditions for motorists, bicyclists and pedestrians utilizing the City's roadways and sidewalks

Protecting the environment

- Conserving water used in street medians and adjacent landscapes

Street Maintenance (continued)

FINANCIAL COMMENTS

Funding for Street Maintenance comes primarily from the City's share of state gas taxes and transfers from the sewer and water enterprises reflecting their responsibility for wear and tear on the streets. Since gas taxes are collected based on gallons, and not on the price of gas the amount of gas tax revenue received by the City has remained more or less flat, while the cost of street maintenance has increased over time due to inflation.

The latest street condition report completed in March 2016 indicated that the City's weighted average pavement condition index (PCI) is 67. Given the City's current planned expenditures in the Pavement Rehabilitation Program budget in the CIP, the PCI will fall below 60 in 2021 and deferred maintenance will exceed $41 million. In order to maintain a PCI of 67, it will be necessary to increase the City's annual capital expenditures to $3.9 million. While this level of investment would stabilize the PCI over the next 5 years, it would still result in an increase in deferred maintenance to $31 million by 2021. Annual expenditures of over $6 million annually would be required to begin to address the City's deferred maintenance backlog and would also result in a projected increase in the City's PCI to 72 by 2021.

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Street Maintenance (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	437,768	447,639	426,113	501,573	518,319
41271	SALARIES - PART-TIME TEMP	1,040	-	39,000	4,500	4,500
41320	EARNED LEAVE LIABILITY	10,044	9,626	9,626	8,024	8,344
41490	OVERTIME - GENERAL	19,118	21,218	25,000	25,575	26,087
41620	RETIREMENT - GENERAL	76,080	79,877	81,997	91,448	97,121
41690	DEFERRED COMPENSATION	8,722	7,884	7,997	8,270	8,551
41700	GROUP INSURANCE	90,626	91,015	90,578	112,203	117,728
41701	MEDICARE	5,925	6,821	6,271	6,408	6,708
41701	MEDICARE PTT AND OT	-	-	928	436	444
41730	INCOME PROTECTION INS	5,085	4,816	4,714	5,540	5,540
41760	WORKERS COMP	11,189	22,908	11,777	12,540	12,960
41760	WORKERS COMP PTT AND OT	-	-	1,600	752	765
41799	BENEFITS	1,366	1,585	1,947	2,025	2,025
41800	UNIFORM	2,913	7,426	7,426	7,575	7,726
	Salaries Total	**669,876**	**700,815**	**714,973**	**786,868**	**816,817**
42205	TAXES	2,371	14,405	3,000	14,837	15,000
42208	ELECTRIC	302,786	214,359	195,000	225,000	229,500
42210	WATER/SEWER	12,946	13,230	13,230	14,500	14,790
42214	TELEPHONE	5,232	1,591	3,415	3,517	3,587
42228	GASOLINE & OIL	9,481	14,004	8,500	14,420	14,708
42230	SPECIAL COUNSEL	-	-	1,143	-	-
42231	CONTRACT SERVICES	1,230,997	557,571	557,571	494,036	503,917
42235	DOWNTOWN MAINTENANCE	1,446	-	320	-	-
42244	STATIONERY & OFFICE SUPPLIES	2,765	1,591	2,500	2,575	2,627
42245	COMPUTER HARDWARE-NON CAPITAL	367	-	-	600	612
42248	OTHER SUPPLIES	65,178	80,598	80,598	80,598	82,210
42250	ADVERTISING	1,788	-	127	-	-
42252	PHOTOCOPYING	85	-	643	256	261
42254	POSTAGE & FREIGHT	33	54	15	55	56
42257	PRINTING	438	849	200	875	893
42261	AUTO MILEAGE	257	-	-	-	-
42281	SMALL TOOLS	1,922	3,713	3,713	3,824	3,900
42299	OTHER EXPENSE	687	530	531	1,172	570
42408	TRAINING & EDUCATION	3,900	2,652	2,228	2,714	2,768
42415	CONFERENCE & MEETINGS	-	-	357	258	263
42423	MEMBERSHIP & DUES	768	266	455	250	255
42435	SUBSCRIPTION & PUBLICATIONS	159	54	54	56	57
42523	MAINT - MACHINE/EQUIPMENT	24,359	10,079	18,153	16,000	16,320
42526	MAINT - AUTO/TRUCKS	14,048	10,609	12,000	7,103	7,245
	Supplies Total	**1,682,013**	**926,154**	**903,753**	**882,646**	**899,540**
44990	PRINCIPAL	-	104,970	104,970	106,038	107,101
44991	INTEREST	-	6,214	6,214	5,146	4,083
	Debt Total	**-**	**111,184**	**111,184**	**111,184**	**111,184**
45003	GENERAL LIABILITY INSURANCE	193,277	150,269	150,269	112,516	123,768
45004	BUILDING MAINT - CURRENT SERVICES	21,552	22,134	22,134	36,215	48,257
45005	BUILDING MAINT - FUTURE REPLACEMENT	1,058	1,090	1,090	1,123	1,156
45006	FLEET REPLACEMENT	63,335	69,704	69,704	116,805	113,622
45009	INFO SYSTEM SERVICES	2,269	2,656	2,656	17,045	17,045
	Internal Services Total	**281,491**	**245,853**	**245,853**	**283,704**	**303,848**
6100 - Street Maintenance Total		**2,633,380**	**1,984,006**	**1,975,763**	**2,064,401**	**2,131,389**

Lighting and Landscape District [229-8351]

ACTIVITY DESCRIPTION

Lighting and Landscape District (LAD) funds are derived from special property assessments to support City maintenance services in park and landscape areas within residential developments that were originally included in the District. Proper maintenance of the properties benefits the owners. Assessment charges are collected by the County on property tax rolls and remitted to the City. There are currently 20 subareas in the LAD that include a total of 757 properties. Each lot within a specific subarea is assessed the same amount.

The City manages the expenses of each of the subareas to maintain a positive fund balance and avoid, as long as possible, the need for assessment rate increases. Nevertheless, over the past several years accumulated increases in maintenance costs have necessitated an increase in assessment rates. To date, the majority of rate increases have been within the original range of assessment rates set at the time of annexation. For FY16-17, it is proposed that the assessment be raised for Rose Haven Assessment District, which is within its current range. For the Jackson 7 district, a reduction in assessment is proposed.

District maintenance is done almost exclusively by contract. The level of maintenance at each subarea varies based upon the needs of the subarea and funding available. In three of the 20 subareas, a negative fund balance exists. Pursuant to Prop 218, ballot measures were conducted in the past, but neither passed thus disapproving an increase in the assessment rate. As a result, maintenance services in these three subareas continue at a reduced level limited to annual weed abatement only. This strategy is working to reduce these negative fund balances.

FY 15-16 ACCOMPLISHMENTS

- Continued to improve the financial strength of the District by aligning costs and expenses per sub areas
- Installed significant improvements, where funds allowed, in the landscapes and hardscapes of several subareas

ACTIVITY GOALS

FY 16-17

- Make improvements in each subarea where positive fund balances exist
- Conduct additional outreach activities, when needed, to better connect residents with their District

FY 17-18

- Make improvements in each subarea where positive fund balances exist
- Conduct additional outreach activities, when needed, to better connect residents with their District
- Develop an informational webpage dedicated to providing the annual Engineer's Report

COUNCIL GOALS

The Lighting and Landscape District will implement policies and activities that are aligned with the priorities, goals and strategies the City Council has set for 2016:

Supporting Youth

- Park maintenance activities provide a safe and supportive community that provides opportunities for Morgan Hill's youth to succeed and develop their full potential

Lighting and Landscape District [229-8351]

FINANCIAL COMMENTS

Maintenance services are provided through contract services and are paid by annual assessments from the property owners benefiting from the improvements. There is no impact to the City's General Fund or other funds.

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Lighting and Landscape District (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	20,493	20,037	21,889	23,265	24,331
41320	EARNED LEAVE LIABILITY	578	464	464	582	605
41490	OVERTIME - GENERAL	-	-	63	-	-
41620	RETIREMENT - GENERAL	3,779	3,575	4,029	4,230	4,547
41690	DEFERRED COMPENSATION	474	285	499	512	536
41700	GROUP INSURANCE	3,281	3,213	3,202	3,317	3,481
41701	MEDICARE	287	292	299	301	318
41730	INCOME PROTECTION INS	235	219	239	241	241
41760	WORKERS COMP	533	1,002	558	582	609
41799	BENEFITS	111	111	125	134	134
	Salaries Total	**29,772**	**29,198**	**31,366**	**33,164**	**34,802**
42208	ELECTRIC	3,705	4,031	4,031	4,265	4,350
42210	WATER/SEWER	22,076	42,914	25,000	32,000	32,640
42231	CONTRACT SERVICES	92,301	102,009	94,543	113,543	96,814
42248	OTHER SUPPLIES	2,265	2,506	2,506	2,581	2,633
42250	ADVERTISING	63	2,122	93	200	204
	Supplies Total	**120,410**	**153,582**	**126,173**	**152,589**	**136,641**
45003	GENERAL LIABILITY INSURANCE	546	596	596	660	726
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	575	553
45010	GF ADMIN	8,587	9,017	9,017	9,468	9,941
	Internal Services Total	**9,133**	**9,613**	**9,613**	**10,703**	**11,220**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	614	614	736	368
	Transfer Total	**-**	**614**	**614**	**736**	**368**
8351 - Lighting And Landscape District Total		**159,315**	**193,007**	**167,766**	**197,192**	**183,031**

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Community Facilities District [230-8353]

ACTIVITY DESCRIPTION

Community Facilities District (CFD) funds are derived from special property tax to support City maintenance services in identified areas. Revenues are collected by the County on property tax rolls and remitted to the City. There is currently 1 CFD in the City with a total of 108 properties. Each property is assessed the same amount.

The City manages the expenses of the CFD to maintain a positive fund balance and avoid, as long as possible, the need for tax increases. District maintenance is done exclusively by contract and includes biological monitoring, reporting, vegetation management, and replanting in the rehabilitated areas of Fisher Creek along Hale Avenue immediately adjacent to the Stonebridge development. The CFD's activities in this area have not yet begun as the project's developer has not yet received its final clearance from the Regional Water Quality Control Board. Once the final clearance is obtained, the CFD workplan will be activated.

FY 15-16 ACCOMPLISHMENTS

- Monitor development progress.

ACTIVITY GOALS

FY 16-17

- Monitor development progress
- Initiate and oversee contracts once final Regional Board clearance is obtained by the developer

FY 17-18

- Administer maintenance and monitoring contracts

COUNCIL GOALS

The Facilities District will implement policies and activities that are aligned with the priorities, goals and strategies the City Council has set for 2016:

Protect the Environment

- Maintaining a productive biological habitat in this segment of Fisher Creek is the primary purpose of the CFD

FINANCIAL COMMENTS

Maintenance services are provided through contract services and are paid by annual tax revenues from the property owners benefiting from the improvements. There is no impact to the City's General Fund or other funds.

Community Facilities District (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	-	-	-	8,424	8,677
41320	EARNED LEAVE LIABILITY	-	-	-	144	150
41620	RETIREMENT - GENERAL	-	-	-	1,528	1,618
41690	DEFERRED COMPENSATION	-	-	-	169	174
41700	GROUP INSURANCE	-	-	-	1,128	1,184
41701	MEDICARE	-	-	-	108	112
41730	INCOME PROTECTION INS	-	-	-	66	66
41760	WORKERS COMP	-	-	-	211	217
41799	BENEFITS	-	-	-	187	187
	Salaries Total	**-**	**-**	**-**	**11,965**	**12,385**
42210	WATER/SEWER	-	1,000	-	1,000	1,020
42231	CONTRACT SERVICES	6,612	26,584	2,883	26,584	27,116
42248	OTHER SUPPLIES	-	1,000	1,000	1,000	1,020
	Supplies Total	**6,612**	**28,584**	**3,883**	**28,584**	**29,156**
45003	GENERAL LIABILITY INSURANCE	-	500	500	139	153
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	329	316
45010	GF ADMIN	-	1,200	1,200	1,260	1,323
	Internal Services Total	**-**	**1,700**	**1,700**	**1,728**	**1,792**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	-	-	155	78
	Transfer Total	**-**	**-**	**-**	**155**	**78**
8353 - Community Facilities District Total		**6,612**	**30,284**	**5,583**	**42,432**	**43,411**

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Stormwater Pollution Prevention [232-5810]

ACTIVITY DESCRIPTION

The Stormwater Pollution Prevention program is responsible for ensuring that the City is implementing its Stormwater Pollution Prevention Plan. As mandated by the Federal Clean Water Act and enforced by the State's Regional Water Quality Control Board, stormwater pollution prevention activities are designed to keep a broad range of pollutants away from local streams and creeks. In addition to public education activities, the stormwater program addresses street sweeping, places rules on the design and construction of new development, and requires that the City ensure that City operations reduce or eliminate stormwater pollution. The Environmental Programs Coordinator working on stormwater issues also supports stormwater pollution prevention for the City of Gilroy, which through an agreement for service funds 50% of the costs of this position.

The Regional Board adopted a Total Maximum Daily Load for fecal coliform that requires the City to actively monitor water quality in streams both within and outside of the City limits. The City has established a cooperative agreement to monitor several of these sites with neighboring jurisdictions in order to share costs and avoid duplication.

FY 15-16 ACCOMPLISHMENTS

- Worked with the County and City of Gilroy in implementing regulatory requirements
- Submitted Annual Report to the State on implementation
- Revised plan for fecal coliform monitoring

ACTIVITY GOALS

FY 16-17

- Oversee expanded water quality monitoring programs and other implementation programs as required by the Regional Board
- Implement fourth year activities required by State General Permit

FY 17-18

- Oversee expanded water quality monitoring programs and other implementation programs as required by the Regional Board
- Implement fifth year activities required by State General Permit

COUNCIL GOALS

Protecting the Environment

•The Stormwater Pollution Prevention program will implement policies and activities that are aligned with the ongoing priority that the City Council established to protect the environment.

FINANCIAL COMMENTS

Since stormwater pollution prevention reduces water pollution and keeps pollutants from being improperly discharged into the sewer system, funding for this activity comes from transfers out of the Water and Sewer funds in addition to equivalent transfers from the General Fund and Community Development Fund. The City of Gilroy reimburses the City for 50% of the Environmental Program Coordinator position and associated overhead costs.

Stormwater Pollution Prevention (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	65,132	153,886	145,804	169,903	180,350
41271	SALARIES - PART-TIME TEMP	-	-	4,800	1,800	1,836
41320	EARNED LEAVE LIABILITY	4,056	4,171	4,171	2,614	2,718
41490	OVERTIME - GENERAL	1,116	-	300	-	-
41620	RETIREMENT - GENERAL	11,433	27,459	26,073	30,819	33,626
41690	DEFERRED COMPENSATION	1,136	2,992	2,704	3,167	3,362
41700	GROUP INSURANCE	7,352	28,060	16,456	19,703	20,654
41701	MEDICARE	926	2,238	1,955	2,221	2,374
41701	MEDICARE PTT AND OT	-	-	74	26	27
41730	INCOME PROTECTION INS	560	1,311	1,478	1,569	1,569
41760	WORKERS COMP	1,643	7,694	3,625	4,248	4,509
41760	WORKERS COMP PTT AND OT	-	-	128	45	46
41799	BENEFITS	416	492	1,013	1,080	1,080
	Salaries Total	**93,770**	**228,303**	**208,578**	**237,195**	**252,151**
42231	CONTRACT SERVICES	-	18,035	10,000	16,000	16,320
42236	BANK CARD SERVICE FEES	15	265	265	265	265
42248	OTHER SUPPLIES	41	2,016	1,000	2,076	2,118
42250	ADVERTISING	1,440	530	-	-	-
42254	POSTAGE & FREIGHT	48	530	200	545	556
42257	PRINTING	757	5,305	5,305	5,464	5,573
42261	AUTO MILEAGE	11	106	300	309	315
42299	OTHER EXPENSE	1,411	19,096	19,096	19,669	20,062
42408	TRAINING & EDUCATION	119	-	1,000	1,030	1,051
42415	CONFERENCE & MEETINGS	-	-	999	977	997
42423	MEMBERSHIP & DUES	15,146	14,853	12,078	15,298	15,604
	Supplies Total	**18,987**	**60,736**	**50,243**	**61,633**	**62,860**
45003	GENERAL LIABILITY INSURANCE	1,751	3,147	3,147	4,446	4,891
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	8,874	8,538
45009	INFO SYSTEM SERVICES	-	-	-	8,117	8,117
45010	GF ADMIN	5,648	5,930	5,930	6,227	6,538
	Internal Services Total	**7,399**	**9,077**	**9,077**	**27,663**	**28,083**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	3,840	3,840	4,651	2,326
	Transfer Total	**-**	**3,840**	**3,840**	**4,651**	**2,326**
5810 - Stormwater Pollution Prevention Total		**120,157**	**301,956**	**271,738**	**331,142**	**345,420**

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Park Maintenance [302-8030]

ACTIVITY DESCRIPTION

Funding for park maintenance will continue to be funded directly in the Park Maintenance Fund with an annual transfer from the General Fund to offset some of the expenses. This practice was initiated with the goal to slowly draw down the balance in the Park Maintenance Fund over a 20-year period in order to allow the City to increase service levels in all areas requiring General Fund support.

Under this budget activity, the Community Services Maintenance Team is responsible for the maintenance of approximately 60 maintained acres consisting mainly of city parks, bicycle trails, and the Civic Center. The Team also manages maintenance of over 300 acres of city owned open space, primarily weed abatement for fire prevention. In the past year, volunteers have made a substantial contribution to the neatness and beauty of the city parks; they have planted trees, raked leaves, weeded, picked up litter, spread mulch, painted backstops and many other valuable tasks. The City will continue the practice of contracting parks mowing and the maintenance of the Civic Center campus. The time savings realized by this approach permits City teammates to focus on higher-level park maintenance activities that results in more sustainable park infrastructure, enhanced park safety, and higher user satisfaction.

FY 15-16 ACCOMPLISHMENTS

- Continued to reduced the water consumption for City Parks in response to the level 2 drought conditions
- Issued RFP for park mowing and Civic Center maintenance
- Supported volunteer park adoption and cleanup activities
- Resurfaced Library Tot Lot
- Implemented improved playground fibar replenishment system
- Enhanced park safety by adding speed bumps in the Community Park parking lot
- Updated Integrated Pest Management Plan to include notifications at areas that are primarily used by children and communicated information to staff and contractors who perform weed abatement

ACTIVITY GOALS

FY 16-17

- Continue the focus on park safety including repairs to play equipment, irrigation systems and ball field maintenance
- Continue to monitor and manage landscape water use, maintaining compliance to measures which support the City's declared Water Supply Shortage
- Engage with the Public Works department and contractors to ensure new downtown park plans include sustainable park infrastructure, park safety and user satisfaction

FY 17-18

- Continue the focus on park safety including repairs to play equipment, irrigation systems and ball field maintenance
- Continue to monitor and manage landscape water use, maintaining compliance to measures which

Park Maintenance (continued)

support the City's declared Water Supply Shortage

COUNCIL GOALS

The Park Maintenance Division will implement policies and activities that are aligned with the priorities, goals and strategies the City Council has set for 2016:

Supporting Youth

- Park maintenance activities provide a safe and supportive community that provides opportunities for Morgan Hill's youth to succeed and develop their full potential

Protecting the Environment

- Maintaining irrigation systems is a component of the park maintenance activity and will continue to allow the Morgan Hill community to be leaders in the state responding to drought conditions

FINANCIAL COMMENTS

This Budget will result in a total cost per acre for park maintenance of $15,40 for FY 16-17. Park Maintenance is funded through the Park Maintenance Fund, supplemented by transfers from the General Fund, grants, and donations. This year's transfer from the General Fund is $200,000.

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Park Maintenance (continued) [302-8030] Non-General Fund

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	273,225	270,967	267,000	281,777	291,372
41271	SALARIES - PART-TIME TEMP	39,376	34,166	34,166	54,163	55,478
41320	EARNED LEAVE LIABILITY	6,441	6,168	6,168	5,369	5,584
41490	OVERTIME - GENERAL	4,648	13,792	5,000	20,706	14,620
41620	RETIREMENT - GENERAL	53,113	48,351	49,813	51,337	54,557
41690	DEFERRED COMPENSATION	5,533	4,753	5,343	5,540	5,733
41700	GROUP INSURANCE	58,668	57,954	58,336	61,036	64,043
41701	MEDICARE	4,182	4,637	3,781	3,606	3,776
41701	MEDICARE PTT AND OT	-	-	568	1,086	1,016
41730	INCOME PROTECTION INS	3,063	2,861	2,944	3,038	3,038
41760	WORKERS COMP	7,850	14,738	7,124	7,044	7,284
41760	WORKERS COMP PTT AND OT	-	-	979	1,872	1,752
41799	BENEFITS	828	876	1,208	1,267	1,267
41800	UNIFORM	2,944	4,244	4,244	4,329	4,415
	Salaries Total	**459,871**	**463,506**	**446,673**	**502,170**	**513,937**
42208	ELECTRIC	18,820	19,627	19,627	20,765	21,180
42210	WATER/SEWER	53,091	84,872	50,000	65,000	66,300
42214	TELEPHONE	1,741	1,724	1,724	1,776	1,812
42228	GASOLINE & OIL	9,380	10,609	10,609	10,928	11,147
42230	SPECIAL COUNSEL	-	-	1,143	-	-
42231	CONTRACT SERVICES	174,288	196,794	184,794	145,616	147,428
42236	BANK CARD SERVICE FEES	213	739	2,241	1,286	1,312
42240	RENTALS - OUTSIDE	340	3,090	1,500	3,182	3,246
42244	STATIONERY & OFFICE SUPPLIES	1,328	1,061	1,061	1,093	1,115
42245	COMPUTER HARDWARE-NON CAPITAL	367	1,591	-	1,591	1,623
42248	OTHER SUPPLIES	41,616	87,211	87,211	50,409	40,792
42250	ADVERTISING	1,426	106	1,211	346	353
42252	PHOTOCOPYING	85	-	614	206	210
42254	POSTAGE & FREIGHT	25	106	106	109	111
42257	PRINTING	203	530	531	545	556
42261	AUTO MILEAGE	104	-	-	-	-
42281	SMALL TOOLS	218	1,061	1,061	1,093	1,115
42299	OTHER EXPENSE	445	530	531	1,172	570
42408	TRAINING & EDUCATION	3,349	2,652	2,652	2,732	2,787
42423	MEMBERSHIP & DUES	117	637	637	656	669
42435	SUBSCRIPTION & PUBLICATIONS	29	106	106	106	108
42523	MAINT - MACHINE/EQUIPMENT	858	3,183	1,500	3,278	3,344
42526	MAINT - AUTO/TRUCKS	2,374	3,183	1,500	3,278	3,344
	Supplies Total	**310,417**	**419,412**	**370,359**	**315,167**	**309,120**
45003	GENERAL LIABILITY INSURANCE	11,352	12,090	12,090	11,932	13,125
45004	BUILDING MAINT - CURRENT SERVICES	7,064	7,255	7,255	13,540	17,424
45005	BUILDING MAINT - FUTURE REPLACEMENT	347	357	357	368	379
45006	FLEET REPLACEMENT	21,568	15,148	15,148	13,125	13,126
45009	INFO SYSTEM SERVICES	4,538	5,312	5,312	-	-
45010	GF ADMIN	52,511	55,136	55,137	57,893	60,788
	Internal Services Total	**97,380**	**95,298**	**95,299**	**96,858**	**104,842**
49214	TRANSFER OUT-207 (GENL PLAN UPDATE)	4,221	4,221	4,221	-	-
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	8,550	8,550	10,504	5,252
	Transfer Total	**4,221**	**12,771**	**12,771**	**10,504**	**5,252**
86360	CONSTRUCTION	132,623	34,426	5,622	-	-
	Project Total	**132,623**	**34,426**	**5,622**	**-**	**-**
8030 - Park Maintence Total		**1,004,512**	**1,025,413**	**930,724**	**924,698**	**933,151**

Agricultural Preservation and Open Space [306-8063]

ACTIVITY DESCRIPTION

The Open Agriculture Preservation and Open Space Fund has two primary activities. The first is to acquire open space through conservation easements or fee title. According to the Urban Limit Line/Greenbelt Study, priority locations are the east side of El Toro Mountain and the foothills east of Hill Road and north of Dunne Avenue. The City's Agricultural Lands Preservation Program directs that funds be used for acquisition of agricultural easements within the Morgan Hill Sphere of Influence and identifies a portion of the City's Southeast Quadrant as the priority area for preservation of agricultural lands.

The second activity is to abate weeds on an annual basis as part of the City's public safety efforts. Historically, the City has contracted with Santa Clara County (SCC) for weed abatement of its 320 acres in numerous locations throughout the City. As part of this turnkey approach, the SCC Weed Abatement Coordinator works with the fire department to abate weeds as necessary. City employee time is limited to correspondence with residents and the Weed Abatement Coordinator. Due to the location and topography of the City's open space, often specialized equipment or hand work is necessary.

FY 15-16 ACCOMPLISHMENTS

- Abated weeds in various locations throughout City open space property
- Finalized City Agricultural Lands Preservation Program and Mitigation Ordinance

ACTIVITY GOALS

FY 16-17

- Participate in Santa Clara County's agricultural preservation planning process (Framework)
- Engage a third party and begin obtainment of agricultural land conservation easements
- Continue implementing reduced-cost approach to weed abatement with Santa Clara County

FY 17-18

- Participate in Santa Clara County's agricultural preservation planning process (Framework)
- Continue the preservation of agricultural lands through the administration of the City's Agricultural Lands Preservation Program, including the acquisition of agricultural land conservation easements
- Continue implementing reduced-cost approach to weed abatement with Santa Clara County

COUNCIL GOALS

Protecting the Environment

•Maintaining open spaces and purchasing additional open space lands is a component of regional efforts to protect habitat and continue to allow agriculture to be productive regionally

Developing Our Community

•This activity directly supports the Council's focus area to implement the City's Agriculture Mitigation Ordinance

Participating in Regional Initiatives

•The City will actively engage with the County, San Jose and Gilroy in the preparation of a regional agricultural lands preservation framework.

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Agricultural Preservation and Open Space Fund (continued)

FINANCIAL COMMENTS

The Agriculture and Open Space Preservation Fund accounts for open space fees collected from developers to pay for open space expenses. These funds are used to conduct fire safety weed abatement activities on open space lands, acquire agricultural preservation easements and to acquire and develop open space areas as planned for in the City's Capital Improvement Program.

Agricultural Preservation and Open Space Fund (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
42231	CONTRACT SERVICES	11,964	106,356	106,356	109,547	111,738
	Supplies Total	**11,964**	**106,356**	**106,356**	**109,547**	**111,738**
45010	GF ADMIN	3,443	3,616	3,616	3,796	3,986
	Internal Services Total	**3,443**	**3,616**	**3,616**	**3,796**	**3,986**
49214	TRANSFER OUT-207 (GENL PLAN UPDATE)	-	-	-	16,500	16,500
	Transfer Total	**-**	**-**	**-**	**16,500**	**16,500**
86360	CONSTRUCTION	1,759	870,000	500,000	1,320,000	1,235,000
	Project Total	**1,759**	**870,000**	**500,000**	**1,320,000**	**1,235,000**
8063 - Open Space Total		**17,167**	**979,972**	**609,972**	**1,449,843**	**1,367,224**

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Water Conservation [650-5760]

ACTIVITY DESCRIPTION

The Water Conservation Program works cooperatively with the Santa Clara Valley Water District on a variety of programs aimed at reducing water consumption. While the program typically focuses on long-term measures and approaches, as yearly consumption rates can vary significantly based on the temperature and rainfall experienced in the City, much effort was made in the past two years to respond to the drought and the Water District's calls for mandatory conservation and water use reductions mandated by the State Water Resources Control Board.

The State is currently experiencing a fourth year of drought and drought response activities have ramped up significantly. In 2015, the State Water Resources Control Board adopted a mandatory 28% water use reduction goal that the City must meet and the Water District called for a 30% reduction. The City declared a Level 2 Supply Shortage on April 1, 2015 which limits irrigation to two days per week; prohibits the washing down of hard surfaces except for safety or sanitary reasons; prohibits individual car washing and pool filling; and shortens the required response time to eliminate leaks. Staff are now collaborating with the District and other marketing partners to encourage water customers to use less water and are responding to reports of water waste on a daily basis. The Level 2 status will remain in place until it is rescinded by the City Council.

FY 15-16 ACCOMPLISHMENTS

- Initiated drought response activities and led regional cooperative effort with the Water District
- In calendar year 2015, supported the Morgan Hill community in conserving 968 million gallons of water as compared to 2013 consumption.
- Presented new Water-Efficient Landscape Ordinance to the City Council and worked cooperatively with the Planning Division on staff training
- Continued supporting turf replacement programs with the Water District
- Promoted water conservation in the community through the sharing of literature, newspaper and newsletter articles, and direct targeted solicitations
- Coordinated the design and construction of five new water conservation demonstration gardens
- Led a regional task force on creating a new model ordinance for water use in new development
- Administered the development of demonstration irrigation project at the Aquatics Center

ACTIVITY GOALS

FY 16-17

- Continue supporting community water conservation
- Monitor water supplies and respond to potential additional calls for conservation if drought conditions change

FY 17-18

- Continue supporting community water conservation
- Monitor water supplies and respond to potential additional calls for conservation if drought conditions change

COUNCIL GOALS

Protecting the Environment

- Water conservation activities directly protect the environment

Water Conservation (continued)

FINANCIAL COMMENTS

The source of funding for this activity is the Water Operations Fund which is supported by water service charges paid by Morgan Hill residents and businesses. As water conservation activities reduce water demand, quantity-based revenues from water sales decline accordingly. However, with the State's limited water supplies and ongoing water delivery challenges, water conservation will remain an essential community program. The City's Environmental Agenda recognizes the need for these activities in its Water Supply Subject Goal of "Maximize the efficient use of water and the development of alternative water supplies."

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Water Conservation (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	28,367	28,017	29,220	29,705	30,580
41271	SALARIES - PART-TIME TEMP	879	10,640	12,191	10,959	11,178
41320	EARNED LEAVE LIABILITY	1,706	1,902	1,902	775	806
41490	OVERTIME - GENERAL	-	-	6,241	-	-
41620	RETIREMENT - GENERAL	4,961	4,999	5,225	5,388	5,701
41690	DEFERRED COMPENSATION	472	475	498	499	513
41700	GROUP INSURANCE	3,028	2,651	2,741	2,709	2,821
41701	MEDICARE	407	565	646	393	407
41701	MEDICARE PTT AND OT	-	-	267	159	162
41730	INCOME PROTECTION INS	261	231	263	263	263
41760	WORKERS COMP	725	1,665	1,180	743	764
41760	WORKERS COMP PTT AND OT	-	-	461	274	279
41799	BENEFITS	250	327	587	599	599
	Salaries Total	**41,057**	**51,472**	**61,423**	**52,466**	**54,073**
42214	TELEPHONE	41	127	-	-	-
42231	CONTRACT SERVICES	9,041	15,071	15,071	15,523	15,833
42248	OTHER SUPPLIES	513	54,636	1,386	-	-
42250	ADVERTISING	2,708	-	3,937	3,535	3,606
42254	POSTAGE & FREIGHT	5,767	10,424	10,424	10,737	10,951
42257	PRINTING	8,064	21,273	21,273	21,911	22,349
42261	AUTO MILEAGE	949	712	-	-	-
42299	OTHER EXPENSE	20,324	211,101	174,101	50,000	51,000
42408	TRAINING & EDUCATION	-	424	424	437	446
42415	CONFERENCE & MEETINGS	20	212	212	218	222
	Supplies Total	**47,427**	**313,981**	**226,828**	**102,361**	**104,408**
45003	GENERAL LIABILITY INSURANCE	350	420	420	556	612
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	986	949
45009	INFO SYSTEM SERVICES	-	-	-	4,870	4,870
45010	GF ADMIN	4,909	5,154	5,155	5,412	5,683
	Internal Services Total	**5,259**	**5,574**	**5,575**	**11,824**	**12,113**
49224	TRANSFER OUT-740 (BUILDING MAINTENANCE)	-	55,717	55,717	-	-
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	512	512	620	310
	Transfer Total	**-**	**56,229**	**56,229**	**620**	**310**
86360	CONSTRUCTION	-	58,068	46,645	-	-
	Project Total	**-**	**58,068**	**46,645**	**-**	**-**
5760 - Water Conservation Total		**93,743**	**485,324**	**396,700**	**167,270**	**170,905**

Fire

Appropriations Summary

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Employee Services	$ 89	$ -	$ 98	$ 14,808	$ 16,289
Supplies & Services	4,347,770	5,209,632	4,769,518	5,079,824	5,594,676
Capital Outlay	182,919	-	-	35,000	-
Debt Services	168,823	-	-	-	-
Internal Service	142,932	143,319	143,319	159,365	162,508
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	**$ 4,842,533**	**$ 5,352,951**	**$ 4,912,935**	**$ 5,288,996**	**$ 5,773,473**

FULL TIME EQUIVALENT EMPLOYEES	**0.00**	**0.00**	**0.00**	**0.10**	**0.10**

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Fire [010-3510]

ACTIVITY DESCRIPTION

The Morgan Hill Fire Department, through a contract with CAL FIRE, provides fire department services and emergency response for the citizens of Morgan Hill. The City owns the two fire stations and all apparatus and equipment, while CAL FIRE provides the personnel. Core services provided include emergency response, community education, business inspections, and fire prevention. The department offers services from two fire engine companies and a third through an agreement with the South Santa Clara County Fire District, in which the City partially funds for staffing.

The Morgan Hill Fire Department's fire and rescue personnel work a 72 hour shift. Minimum staffing is nine line personnel and one chief officer. The Fire Marshal and EMS/Training Captain are available for additional response when needed.

Morgan Hill Fire Department utilizes the closest engine concept to respond to calls within the City's jurisdiction. In order to make this possible, Morgan Hill Fire works closely with surrounding fire agencies through Automatic Mutual Aid Agreements (Auto-Aid). Morgan Hill Fire currently has reciprocal Auto-Aid agreements with South Santa Clara County Fire District, City of Gilroy Fire, City of San Jose Fire and a Wildland Mutual Threat Zone (MTZ) Agreement with CAL FIRE for the areas in the City Wildland Urban Interface (WUI).

Section 17.8 of the current General Plan calls for the development and adoption of a Public Safety Master Plan. We are currently in the process of developing this study, which is scheduled to be completed later this year. The study is an in-depth look at the current services provided and the future plans for the region. Outputs will include proposals for the direction of regional fire protection for many years to come. Preparation and planning for the third City of Morgan Hill Fire Station will be included in this study.

FY15-16 ACCOMPLISHMENTS

- Expanded the fire explorer program
- Completed kitchen remodel of El Toro Fire Station
- Responded to 2460 public education contacts
- Performed 1305 business inspections
- Received a regional Assistance to Firefighters (AFG) Grant that funded a Self-Contained Breathing Apparatus (SCBA) fill station, Personal Protective Equipment (PPE) dryer, portable radios, radio consoles, and a PPE extractor
- Improved water conservation landscaping and irrigation at the Dunne Hill Fire Station
- Initiated the development of a Public Safety Master Plan
- Instructed quarterly public Cardiopulmonary Resuscitation (CPR) classes
- Continued participation in the Emergency Operations Center (EOC)
- Maintained greater than 95% EMS response time standard based on County EMS agreement
- Trained and Recertified Police Department (PD) Staff to meet their Peace Officer Standards and Training (POST) requirements in Emergency Medical Service (EMS) and CPR
- Updated City Map and shared map data with other fire departments

Fire (continued)

ACTIVITY GOALS

FY 16-17

- Renegotiate Cooperative Agreement between the City and CAL FIRE
- Implement a volunteer firefighting program
- Fire Explorers- Continue to recruit and train cadets
- Mapping (ongoing) - Update and share data with other departments. Take advantage of technology to increase information available in mapping programs
- Participate and be a signatory to the County-wide Community Wildfire Protection Plan (CWPP)
- Explore traffic preemption feasibility for emergency response
- Maintain greater than 95% EMS response time standard based on County EMS agreement
- Repair and maintain infrastructure. Re-roof Dunne Hill, paint the exterior of El Toro, and replace garage door openers at both stations.
- Create an equipment replacement cycle plan.
- Purchase a reserve fire engine.

FY 17-18

- Initiate planning of a potential third City owned fire station by utilizing the Public Safety Master Plan as the foundation for future service delivery.
- Continue participation in the EOC
- Maintain greater than 95% EMS response time standard based on County EMS agreement.
- Explore staffing models to phase in staffing for the third Morgan Hill fire station.

COUNCIL GOALS

The Fire Department will implement policies and activities that are aligned with the priorities, goals and strategies the City Council has set for 2016:

Enhance Public Safety

- Continue to focus on preparedness and capacity for emergency response through technology, equipment, and staffing alternatives
- Work collaboratively with other city departments to enhance city response capabilities
- Continue to train the public in emergency response preparedness
- Increase response capacity through funding of the volunteer firefighter program
- Continue to facilitate training and participate in the EOC

Enhance Community Engagement and Diversity

- Continue to be proactive in public education events and other events where fire services have access to public contact
- Explore opportunities to engage the community in the area of high-risk individuals and protecting the elderly in our community
- Continue to support local community groups.

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Fire (continued)

- Continue to support CERT training and related programs

Supporting Youth

- Continue with school site visits and station tours for fire prevention activities.
- Continue to expand the fire explorer program
- Explore other opportunities for youth engagement with Fire Services

FINANCIAL HIGHLIGHTS

Fire service delivery is funded through the General Fund. In total, Fire services account for approximately 22 percent of discretionary General Fund spending.

Fire (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	-	-	-	10,128	11,203
41620	RETIREMENT - GENERAL	-	-	-	1,837	2,089
41700	GROUP INSURANCE	89	-	98	2,256	2,367
41701	MEDICARE	-	-	-	168	184
41730	INCOME PROTECTION INS	-	-	-	166	166
41760	WORKERS COMP	-	-	-	253	280
	Salaries Total	**89**	**-**	**98**	**14,808**	**16,289**
42208	ELECTRIC	13,187	15,450	15,450	15,914	16,391
42210	WATER/SEWER	2,431	2,060	2,400	3,377	3,720
42214	TELEPHONE	14,056	12,360	14,000	14,000	14,000
42228	GASOLINE & OIL	33,890	50,923	32,000	35,000	40,000
42231	CONTRACT SERVICES	40,934	79,806	68,020	79,800	79,800
42238	CONTRACT SERVICES-CALFIRE	3,709,357	4,331,381	3,900,000	4,217,683	4,706,046
42244	STATIONERY & OFFICE SUPPLIES	8,673	8,912	8,900	8,900	9,078
42245	COMPUTER HARDWARE-NON CAPITAL	1,408	5,150	3,846	5,150	5,150
42248	OTHER SUPPLIES	111,365	89,380	88,735	89,380	89,380
42249	ALS SUPPLIES AND SERVICES	58,630	50,000	50,000	55,000	60,000
42250	ADVERTISING	920	309	1,625	1,000	1,000
42254	POSTAGE & FREIGHT	686	530	650	750	750
42257	PRINTING	2,431	3,090	4,147	4,000	4,000
42281	SMALL TOOLS	927	1,061	1,050	1,050	1,050
42299	OTHER EXPENSE	1,032	1,061	1,538	2,450	1,500
42301	REIMBURSEMENTS	122	-	-	-	-
42408	TRAINING & EDUCATION	13,725	16,480	16,480	16,500	16,500
42415	CONFERENCE & MEETINGS	1,093	1,030	1,913	1,500	1,500
42423	MEMBERSHIP & DUES	2,180	2,122	2,122	2,200	2,200
42435	SUBSCRIPTION & PUBLICATIONS	-	-	833	-	-
42510	MAINT - BLDGS/IMPROVEMENTS	9,694	50,319	67,600	35,000	50,000
42523	MAINT - MACHINE/EQUIPMENT	1,462	2,575	2,575	2,500	2,500
42526	MAINT - AUTO/TRUCKS	28,507	25,750	25,750	28,788	30,227
42546	FIRE STATION ACQUISITION PAYMENT	155,161	259,295	259,295	259,295	259,295
42556	APPARATUS LEASE	135,900	200,588	200,588	200,588	200,588
	Supplies Total	**4,347,770**	**5,209,632**	**4,769,518**	**5,079,824**	**5,594,676**
43825	MACHINERY/EQUIPMENT	23,902	-	-	-	-
43830	AUTO/TRUCKS	159,018	-	-	35,000	-
	Supplies Total	**182,919**	**-**	**-**	**35,000**	**-**
44991	INTEREST	168,823	-	-	-	-
	Debt Total	**168,823**	**-**	**-**	**-**	**-**
45003	GENERAL LIABILITY INSURANCE	30,000	30,000	30,000	31,004	34,104
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	657	632
45005	BUILDING MAINT - FUTURE REPLACEMENT	60,000	60,000	60,000	61,800	63,654
45006	FLEET REPLACEMENT	50,663	50,663	50,663	52,105	50,319
45009	INFO SYSTEM SERVICES	2,269	2,656	2,656	13,798	13,798
	Internal Services Total	**142,932**	**143,319**	**143,319**	**159,365**	**162,508**
3510 - Fire Administration Total		**4,842,533**	**5,352,951**	**4,912,935**	**5,288,996**	**5,773,473**

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Police

Appropriations Summary

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Employee Services	$ 10,703,924	$ 11,560,299	$ 11,469,947	$ 12,369,585	$ 12,849,546
Supplies & Services	1,056,142	1,111,474	1,103,669	1,297,922	1,195,014
Capital Outlay	143,798	72,232	112,391	-	-
Debt Services	-	-	-	-	-
Internal Service	1,265,000	1,319,856	1,319,856	1,379,384	1,399,478
Transfers Out	214,613	216,463	216,463	186,139	188,912
TOTAL EXPENDITURES	**$ 13,383,476**	**$ 14,280,324**	**$ 14,222,326**	**$ 15,233,030**	**$ 15,632,950**

PD ADMINISTRATION	$ 924,892	$ 1,254,053	$ 1,291,411	$ 1,129,063	$ 1,163,352
PD FIELD OPERATIONS	6,501,076	6,684,403	6,784,619	7,542,259	7,728,534
PD SUPPORT SERVICES	1,915,893	2,062,690	2,007,849	2,062,201	2,086,255
PD EMERGENCY SERVICES	157,754	171,609	167,703	174,242	179,862
PD SPECIAL OPERATIONS	2,283,901	2,704,195	2,501,512	2,685,665	2,779,970
DOMESTIC VIOLENCE GRANT	237,160	-	-	-	-
DISPATCH SERVICES	1,362,799	1,403,374	1,469,232	1,639,601	1,694,976
TOTAL EXPENDITURES BY PROGRAM	**$ 13,383,476**	**$ 14,280,324**	**$ 14,222,326**	**$ 15,233,030**	**$ 15,632,950**

FULL TIME EQUIVALENT EMPLOYEES	**58.50**	**59.50**	**59.50**	**60.60**	**60.60**

Police Department
Field Operations
Special Operations
Support Services
Emergency Services
Dispatch Services

Police Administration [010-3205]

DIVISION DESCRIPTION

The Administration Division of the Police Department provides leadership and general direction for law enforcement efforts of City government. The Chief of Police, who reports directly to the City Manager, oversees all Department functions and guides Department managers, supervisors and all personnel in a collaborative effort in order to achieve the Department Mission.

Administration provides planning and coordination; budget management; coordination of internal affairs matters; department-wide training; special events planning and management; and other administrative needs to the Department.

During FY15-16, the Police Department continued to implement its Outcome Based Strategic Plan for Public Safety (Strategic Plan). The Strategic Plan was developed in FY11-12 to serve as a road map for public safety strategies through 2016. The Plan includes four outcomes with specific measures and action items to assess level of achievement. The four outcomes are below:

1. Reduce Incidents of Crime and Traffic Collisions
2. Increase Trust and Confidence in the Police Department
3. Increase Feeling of Safety
4. Increase Proficiency of Staff

To fully implement the Strategic Plan, baseline levels of feelings of safety and trust in our Police Department within our community needed to be established. A two-part community survey was conducted in 2012 and 2013 to assess feelings of safety and levels of trust and confidence in the Police Department. The firm Godbe Research conducted a telephone survey in fall 2012 of Morgan Hill residents in both English and Spanish. The survey results were positive with 81.1% of residents indicating they felt the city was headed in the right direction and 92% of residents indicating they feel safe in their neighborhoods. The top public safety issue identified by the survey respondents was gangs and youth violence. In summer 2013, the non-resident survey was completed. This survey assessed some of the same areas from the perspective of visitors to Morgan Hill and examined how visitors to Morgan Hill spend their income in order to learn if there are ways to expand economic development. The survey was conducted in both English and Spanish on-site at the Aquatics Center and Outdoor Sports Center during larger events and Downtown on weekend evenings. The overall results were positive and indicated that over 70% of respondents visiting Morgan Hill felt safe at our facilities and in our downtown. The survey findings prompted the Police Department to implement programs to address gang and youth violence by providing positive alternatives to at-risk youth through active participation in the South Valley Youth Task Force. The Department is also working to strengthen positive results such as increasing trust and confidence by strengthening community partnerships through expansion of our Neighborhood Watch and Officer Adopt-a-School programs.

FY 15-16 ACCOMPLISHMENTS

- Issued a Request for Proposal and selected consultant to conduct Public Safety Master Plan for Staffing in partnership with the Morgan Hill Fire Department
- Expanded Records office hours until 7:00pm Monday – Friday

Police Administration (continued)

- Installed new inter-operable radio consoles and phones in Dispatch
- Reinstated Parent Project program
- Increased overall Department productivity related to reports taken and arrests made
- Expanded social media presence to increase community engagement
- Installed prescription drug drop-off receptacle in the Police Department lobby

ACTIVITY GOALS

FY 16-17

- Implement Records division procedure manual
- Implement data storage solution for video files
- Expand on-line report review to increase efficiencies
- Hire Dispatch Supervisor
- Maintain Part 1 crime clearance rates at or above regional average
- Refer at least 30 at-risk youth for gang involvement for intervention services
- Increase capacity for CCTV monitoring
- Install adjustable workstations in offices located in Administration Division

FY 17-18

- Install desktop scanners in report writing to decrease use of paper in report processing
- Work with District Attorney's Office to investigate an on-line digital evidence solution
- Complete 70% of criminal investigations
- Provide LGBTQ Domestic Violence training to South County law enforcement

COUNCIL GOALS

The activities below align with the priorities, goals, and strategies the City Council has set for 2016:

Enhancing Public Safety

- Identify and hire new Dispatch Supervisor
- Participate in regional interoperable communication system

Supporting Youth

- Active involvement with the South County Youth Taskforce
- Continue to engage sworn and civilian teammates with the schools through existing initiatives

Fostering a Positive Organizational Culture

- Conduct annual Department meeting and award ceremony
- Implement monthly update report that identifies significant cases and highlights exceptional work

Police Administration (continued)

Preserving and Cultivating Public Trust

- Continue to respond to major medical calls and instill a culture of proactive policing and problem solving

Enhancing Our Services

- Providing on-line crime reporting in Spanish

Improving Our Communication

- Build on our successes with our e-newsletter, traffic quarterly reports and social media presence
- Implemented Communications Committee to enhance internal communication challenges related to shift work

Participating In Regional Initiatives

- Three officers assigned to regional crime taskforces
- Active involvement with the South County Youth Taskforce
- Participation on the Executive Committee of the California Police Chiefs Association
- Participation in Silicon Valley Regional Interoperability Project

FINANCIAL COMMENTS

During the FY16-18 budget process, the Police Department received approval for 8 Decision Packages totaling $263,402 to be expended during FY16-17 (listed below). Two Decision Packages: Public Safety Dispatcher and Firearms Replacement Fund are on-going beyond FY16-18; the remainder are one-time expenditures. The individual Decision Packages are addressed in detail in the appropriate Department Division narratives.

Decision Package	Amount
Dataworks Interface (mug shots)	$5,000
Dispatch Supervisor	$158,000
AR Assault Rifles	$65,000
Adjustable Desks	$5,000
Trunk Vaults for Unmarked Vehicles	$10,000
Streamlight Flashlights	$6,000
Traffic Division Start Up Costs	$5,000
Firearms Replacement Fund	$10,000

Police Administration (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	194,301	198,475	197,951	203,085	207,918
41160	SALARIES - SAFETY	188,587	336,049	336,670	357,912	367,680
41320	EARNED LEAVE LIABILITY	22,240	29,855	29,855	16,442	17,100
41500	OVERTIME - SAFETY	-	-	11,139	2,500	2,550
41520	OVERTIME - REIMBURSABLE	-	-	3,000	3,000	3,060
41620	RETIREMENT - GENERAL	33,377	35,416	34,649	36,087	37,994
41630	RETIREMENT - SAFETY	65,269	112,287	112,000	128,716	136,248
41690	DEFERRED COMPENSATION	7,383	7,705	7,537	7,751	7,964
41700	GROUP INSURANCE	30,383	48,540	60,476	55,625	58,008
41701	MEDICARE	5,124	7,763	7,459	7,343	7,569
41701	MEDICARE PTT AND OT	-	-	205	80	81
41730	INCOME PROTECTION INS	3,297	2,793	4,483	3,885	3,885
41760	WORKERS COMP	10,042	26,726	13,751	22,870	23,479
41760	WORKERS COMP PTT AND OT	-	-	353	275	281
41799	BENEFITS	842	840	844	1,296	1,296
41800	UNIFORM	1,360	2,956	2,956	2,800	2,856
	Salaries Total	**562,206**	**809,405**	**823,327**	**849,667**	**877,969**
42231	CONTRACT SERVICES	108,667	157,270	150,000	69,887	71,285
42236	BANK CARD SERVICE FEES	811	1,517	1,200	1,000	1,020
42244	STATIONERY & OFFICE SUPPLIES	-	-	792	800	816
42248	OTHER SUPPLIES	7,335	11,588	7,698	5,233	5,338
42250	ADVERTISING	50	1,030	250	375	383
42252	PHOTOCOPYING	36	79	50	75	77
42254	POSTAGE & FREIGHT	121	-	40	50	51
42261	AUTO MILEAGE	306	212	212	250	255
42299	OTHER EXPENSE	-	28,000	25,084	-	-
42408	TRAINING & EDUCATION	3,716	3,183	677	3,184	3,248
42415	CONFERENCE & MEETINGS	3,419	5,150	5,150	5,150	5,253
42423	MEMBERSHIP & DUES	1,365	955	40,630	2,000	2,040
42435	SUBSCRIPTION & PUBLICATIONS	1,280	266	990	800	816
42531	MAINT - FURNITURE/OFFICE EQUIP	-	212	125	100	102
	Supplies Total	**127,107**	**209,462**	**232,898**	**88,904**	**90,682**
45003	GENERAL LIABILITY INSURANCE	20,966	18,723	18,723	14,354	15,789
	Internal Services Total	**20,966**	**18,723**	**18,723**	**14,354**	**15,789**
49247	TRANSFER OUT-441 (PD BOND DEBT SERVICE)	214,613	216,463	216,463	176,139	178,912
	Transfer Total	**214,613**	**216,463**	**216,463**	**176,139**	**178,912**
3205 - PD Administration Total		**924,892**	**1,254,053**	**1,291,411**	**1,129,063**	**1,163,352**

Police Field Operations [010-3210]

DIVISION DESCRIPTION

The Field Operations Division is guided by the department's four year Public Safety Strategic Plan created in partnership with the Community, City Council and City Department. The Strategic Plan consists of four outcomes: Reduce Incidents of Crime; Increase Trust and Confidence in Police Department; Increase Feelings of Safety; and Increase Proficiency of Staff. These outcomes are accomplished through partnerships with our community, data-driven deployment and proactive police work.

The Field Operations Division consists of twenty-six sworn patrol officers: one Captain, four Patrol Sergeants, four Patrol Corporals, one Traffic Corporal, one Traffic officer, one K-9 Officer and six Reserve Officers. The civilian component of the division consists of three Multi-Service Officers (MSO). The MSOs are responsible for the enforcement of animal control provisions mandated by state law and local ordinance, and for administering animal licensing for the City of Morgan Hill. They also take police reports, provide vehicle abatement, jail management and other duties as assigned.

In addition to patrol duties, Police Officers have collateral duties such as field training officer (FTO), bicycle officer, motorcycle officers, special weapons and tactics team (SWAT), hostage negotiations, peer support, K-9, crime scene investigator (CSI), volunteer in policing staff (VIP), citizen police academy instructor and special event assignments.

The Reserve Officer Program in this division consists of paid part-time employees who are trained to augment regular patrol activities as a second officer in a vehicle.

FY 15-16 ACCOMPLISHMENTS

The department implemented a Public Safety Strategic Plan for years 2013-2016. This plan consists of 4 major outcomes that include their own measurements and action items as means to track and achieve each one. These outcomes are listed below and include the FY2015-2016 highlights associated to each goal.

Outcome 1- Reduce Incidents of Crime and Traffic Collisions

- Responded to 37,608 calls for service and self-initiated contacts during the 2015 calendar year resulting in 1,998 arrests. This reflects a 29% increase in arrests and a 1% increase in calls for service and self-initiated contacts over 2014
- Responded to 209 traffic collisions; a 1% increase from the prior 3 year average
- VIPs strategically deployed radar trailer over 50 times in areas known for speeding
- Continued to deploy VIPs in neighborhoods that had an increase in theft related crimes as required
- Continued officer deployment in data-driven crime areas through Predictive Policing software resulting in over 2,190 patrol checks
- Traffic Division created and distributed quarterly newsletters documenting the top 5 Primary Collision Factors and their locations throughout the city
- Patrol participated in the AVIOD 13 campaign, resulting in 18 DUI arrests, 1 DUI warrant arrest and no injury or fatal crashes
- The traffic team conducted two DUI checkpoints. The California Office of Traffic Safety and MHPD recognize greater results in identifying DUI drivers though saturation deployments—patrol conducted 16 saturation patrols

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Police Field Operations (continued)

OUTCOME 2 – INCREASE TRUST AND CONFIDENCE IN THE POLICE DEPARTMENT

- Continued Volunteers in Policing Program and currently have 24 volunteers
- Continued scheduling VIPs to work in records and assist with front desk and fingerprinting services for community
- Police Facebook Page has over 6,000 "Likes" and the Twitter account has 4,128 followers, and is used to foster on -going communication between the Police Department and community for current events and announcements
- Patrol officers "adopted" schools within their beats and made multiple visits to his/her school during their work week, referred to as PRG2 (Public Relations Goal 2). In FY14-15 the Department conducted 346 PRG2 checks

OUTCOME 3 – INCREASE FEELING OF SAFETY

- Scheduled VIPs to augment patrol by conducting vacation checks, vehicle abatement and other patrol activities
- Dispatchers received 1,682 EMS calls for service. Officers responded to 46 serious medical related incidents, such as heart attacks, choking and head injuries

OUTCOME 4 – INCREASE PROFICIENCY OF STAFF

- Conducted scenario based training in Active Shooter, Defensive Tactics, Firearms and Taser
- Since implementation of VieVu body worn video cameras, patrol officers have downloaded 2,060 GB or 2,060 hours of video. VieVu cameras have reduced liability and increased offender accountability

ACTIVITY GOALS

FY 16-18

- Evaluate and Update Strategic Plan for next4-year term
- Deploy Automated License Plate Reader during each shift
- Deploy officers for DUI saturation patrol during major holidays and events
- Purchase and deploy patrol rifles to each officer
- Purchase and equip officers with LED Flashlights
- Staff Traffic Division with a Corporal and Officer
- Start a Firearms replacement fund
- Maintain use of VieVu cameras
- Maintain POST training standards compliance
- Increase capacity to monitor public camera systems installed throughout city
- Continue to provide collision data quarterly to assist in deployment of staff and collision prevention
- Continue to provide quarterly public safety message regarding safe driving practices and other crime prevention tips
- Target hotspot crime areas using Predpol's analytical data
- Maintain clearance rate above regional average for property and violent offenses
- Maintain 100% compliance with Lexipol Daily Training Bulletins
- Continue weekly patrol officer deployment at schools to meet with students and staff

Police Field Operations (continued)

COUNCIL GOALS

The activities below align with the priorities, goals, and strategies the City Council has set for 2016:

Supporting Youth

- Continue to support youth by working closely with the Special Operations Division to implement participation on the South Valley Youth Safety Task Force to address the influences and impacts of gang activity in Morgan Hill
- Patrol officers will continue to visit schools to interact with students

Enhance Community Engagement and Diversity

- Continue to communicate with Morgan Hill residents on regular basis via Facebook and Twitter regarding Police Department activities
- Continue to implement Neighborhood Watch
- Continue to conduct outreach to all segments of the community for participation in the Citizens Police Academy
- Continue to offer Citizens Police Academy once a year, providing Morgan Hill residents with an opportunity to learn more about the inner workings of the Police Department. The Academy is an opportunity to build community resulting enhanced trust and confidence in the Department

Participating in Regional Issues

- On-going participation in the South Valley Youth Task Force to implement a regional approach to youth crime and violence in Southern Santa Clara County

FINANCIAL COMMENTS

During the FY16-18 budget process, the Police Department received approval for 8 Decision Packages totaling $263,402 to be expended during FY16-17 (listed below). The following purchases will assist patrol operations:

- Patrol Rifles: Additional Patrol Rifles will be purchased so that each officer can be assigned one for better accuracy and personalization of weapon
- Trunk Vaults: In line with best practices trunk vaults will keep officer weapons secure Furthermore, Senate Bill 869, introduced by state Senator Jerry Hill, D-San Mateo and Santa Clara Counties, would require law enforcement officers to securely stow any handgun they leave in vehicles
- Streamlight Flashlights: Updating our Flashlights with newer LED technology provides officers with longer run time and quicker charge times
- Emergency Operation Vehicle Operations (EVOC) Supplies: Patrol vehicle training is conducted yearly. The training team will in large purchase new cones and supplies needed to conduct yearly training for officers, volunteers and civilian teammates

Police Field Operations (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	252,330	262,484	275,706	280,792	292,333
41160	SALARIES - SAFETY	3,255,721	3,322,156	3,481,305	3,592,580	3,724,735
41271	SALARIES - PART-TIME TEMP	24,417	42,362	18,000	18,000	18,360
41280	SALARIES - P.T. REIMBURSEMENT	5,088	11,139	-	-	-
41310	SALARIES - OTHER	3,134	-	1,157	-	-
41320	EARNED LEAVE LIABILITY	115,040	120,208	120,208	148,797	154,749
41490	OVERTIME - GENERAL	15,798	15,991	13,500	14,000	14,280
41500	OVERTIME - SAFETY	215,044	293,164	283,000	275,000	280,500
41505	OVERTIME - SAFETY-SPECIAL PROJECTS	26,117	42,855	30,000	32,000	32,640
41520	OVERTIME - REIMBURSABLE	53,709	53,303	55,513	53,000	54,060
41620	RETIREMENT - GENERAL	44,619	46,838	47,755	50,105	54,497
41630	RETIREMENT - SAFETY	1,048,696	999,634	1,000,000	1,157,466	1,229,181
41690	DEFERRED COMPENSATION	3,265	3,227	3,336	3,436	3,539
41700	GROUP INSURANCE	476,964	454,792	506,657	559,866	586,034
41701	MEDICARE	49,499	58,667	52,641	49,649	51,901
41701	MEDICARE PTT AND OT	-	-	5,800	5,684	5,798
41730	INCOME PROTECTION INS	16,972	7,497	16,876	18,498	18,498
41760	WORKERS COMP	99,487	190,611	100,460	186,649	193,545
41760	WORKERS COMP PTT AND OT	-	-	10,000	19,600	19,992
41799	BENEFITS	2,650	2,520	3,261	3,456	3,456
41800	UNIFORM	39,340	48,537	48,537	41,280	42,106
41810	UNIFORM-RESERVES	-	402	402	410	418
	Salaries Total	**5,747,891**	**5,976,386**	**6,074,115**	**6,510,268**	**6,780,621**
42214	TELEPHONE	2,316	-	137	-	-
42228	GASOLINE & OIL	93,725	101,846	70,000	75,000	76,500
42231	CONTRACT SERVICES	68,727	69,798	65,670	146,890	149,828
42248	OTHER SUPPLIES	91,705	100,679	105,379	240,570	160,174
42250	ADVERTISING	-	-	-	100	102
42254	POSTAGE & FREIGHT	46	-	66	-	-
42299	OTHER EXPENSE	-	-	4,990	30,000	-
42408	TRAINING & EDUCATION	-	-	1,570	6,100	6,222
42411	POST TRAINING	68,406	64,450	48,381	67,672	69,025
42415	CONFERENCE & MEETINGS	869	2,122	1,000	5,000	5,100
42423	MEMBERSHIP & DUES	1,689	637	1,965	1,800	1,836
42435	SUBSCRIPTION & PUBLICATIONS	1,961	530	2,000	2,200	2,244
42523	MAINT - MACHINE/EQUIPMENT	-	3,183	-	-	-
42526	MAINT - AUTO/TRUCKS	119,440	75,000	80,000	120,000	122,400
	Supplies Total	**448,885**	**418,245**	**381,158**	**695,332**	**593,432**
43825	MACHINERY/EQUIPMENT	10,518	16,000	55,575	-	-
	Capital Total	**10,518**	**16,000**	**55,575**	**-**	**-**
45003	GENERAL LIABILITY INSURANCE	157,246	135,742	135,742	107,657	118,423
45006	FLEET REPLACEMENT	136,535	138,029	138,029	219,002	226,059
	Internal Services Total	**293,781**	**273,771**	**273,771**	**326,659**	**344,482**
49250	TRANSFER OUT-790 (EQUIP REPLACEMENT)	-	-	-	10,000	10,000
	Transfer Total	**-**	**-**	**-**	**10,000**	**10,000**
3210 - PD Field Operations Total		**6,501,076**	**6,684,403**	**6,784,619**	**7,542,259**	**7,728,534**

Police Support Services [010-3225]

DESCRIPTION

As its name implies, the Police Department Support Services Division encompasses a variety of functions that support the overall operations of the Department as well as providing customer service at the front counter of the police facility.

The functions included in this division are Records; Property/Evidence Management; and Dispatch Services. Dispatch Services has a separate program budget.

Police Records Specialists accomplish accurate and timely report and information processing for local, county, and state systems as required, and oversee the storage and processing of property and evidence pursuant to rigorous state requirements. Division personnel lend assistance to other divisions when supplementary personnel are required, such as animal licensing, Live Scan fingerprinting and the annual update of information collected from registrants who are required to report to the police facility.

The department has continued to implement the strategic plan for years 2013-2016. This plan consists of 4 major goals that include their own measurements and action items as means to track and achieve those goals. The Support Division upholds Goal 2 - to Increase Trust and Confidence in the Police Department and Goal 4 - Increase Proficiency of Staff by completing the listed accomplishments.

FY 15-16 ACCOMPLISHMENTS

- Successfully hired and trained a new full time Records Specialist which allowed for expanded office hours
- Participated in Criminal Justice Information Control (CJIC) Roadmap project
- Continued ongoing support/training in new Records Management System (RMS)
- Implemented scanning all documents related to reports into RMS, enabling a nearly paperless in-house police report storage system
- Assumed responsibility for reconciliation of Police Department personnel city credit card statements
- Successfully passed Department of Justice Security and Database Audit
- Installed internet based business phone system
- Updated DVRs at the police department to provide for effective viewing of security cameras throughout city
- Provided access to public to obtain traffic collision reports online
- Streamlined the warrant processing procedure
- Installed prescription drug drop off container in Police Facility lobby

ACTIVITY GOALS

FY 16-17

- Continue to complete and update department records procedure manual
- Schedule RMS training at team briefings
- Implement data storage solution for video files
- Participate in ongoing interoperability projects, such as ARIES, Coplink, CJIC Roadmap and South County Regional Interoperability projects

Police Support Services (continued)

- Expand online report review with the District Attorney's office for specific report types
- Develop Capital Improvement Schedule for Department Radios
- Replace user end radio equipment using SVRIA guidelines to include all field radios

FY 17-18

- Install desktop scanners at report writing workstations
- Investigate online access of digital evidence for the District Attorney's office

COUNCIL GOALS

The activities below align with the priorities, goals, and strategies the City Council has set for 2016:

Enhancing Public Safety

- By participating in regional interoperability projects
- Enhancing our services
- By providing online access for traffic collision reports
- By expanding office hours to 7 p.m.

Participating in Regional Initiatives

- Participation SVRCS (Silicon Valley Radio Communication System) to replace field radios with compatible equipment

FINANCIAL COMMENTS

During the FY 16-18 budget process, the Police Department received approval for 8 Decision Packages totaling $263,402 to be expended during FY 16-17. One Decision Package benefits Support Services – The Dataworks Interface ($5,000). This Decision Package will allow the Police Department to build an interface between the Police Department's Records Management System (RMS) and a countywide booking system to share booking photos with other agencies. This facilitates information sharing between and among agencies to enhance public safety. The Police Department will build the interface during FY 16-17.

Police Support Services (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	470,010	541,654	508,219	554,143	575,905
41271	SALARIES - PART-TIME TEMP	32,660	33,379	43,890	36,000	36,720
41320	EARNED LEAVE LIABILITY	32,877	31,890	31,890	34,659	36,045
41490	OVERTIME - GENERAL	1,690	1,061	1,500	1,800	1,836
41620	RETIREMENT - GENERAL	83,264	96,653	90,537	99,313	107,361
41690	DEFERRED COMPENSATION	2,620	2,680	2,677	2,757	2,840
41700	GROUP INSURANCE	68,627	90,077	85,302	95,451	99,763
41701	MEDICARE	7,062	8,366	7,481	7,141	7,491
41701	MEDICARE PTT AND OT	-	-	658	548	559
41730	INCOME PROTECTION INS	6,467	5,897	7,017	7,509	7,509
41760	WORKERS COMP	12,644	27,937	13,713	13,854	14,398
41760	WORKERS COMP PTT AND OT	-	-	1,135	1,890	1,928
41799	BENEFITS	1,117	840	1,004	1,296	1,296
41800	UNIFORM	5,005	4,201	4,201	5,670	5,783
	Salaries Total	**724,042**	**844,635**	**799,222**	**862,031**	**899,434**
42214	TELEPHONE	110,593	101,846	89,760	101,000	103,020
42231	CONTRACT SERVICES	36,119	51,821	47,535	52,084	53,126
42244	STATIONERY & OFFICE SUPPLIES	17,883	16,974	24,242	25,500	26,010
42245	COMPUTER HARDWARE-NON CAPITAL	7,940	10,609	12,300	1,450	1,479
42246	COMPUTER SOFTWARE-NON CAPITAL	600	-	1,670	5,000	-
42248	OTHER SUPPLIES	8,773	5,835	8,253	9,080	9,262
42250	ADVERTISING	831	-	-	-	-
42252	PHOTOCOPYING	1,432	7,200	8,000	8,500	8,670
42254	POSTAGE & FREIGHT	4,702	5,305	9,446	9,552	9,743
42257	PRINTING	7,868	6,896	6,896	6,920	7,058
42261	AUTO MILEAGE	720	530	325	345	352
42299	OTHER EXPENSE	-	-	-	6,450	-
42408	TRAINING & EDUCATION	1,258	4,774	4,774	4,820	4,916
42415	CONFERENCE & MEETINGS	48	266	225	245	250
42423	MEMBERSHIP & DUES	507	849	850	875	893
42435	SUBSCRIPTION & PUBLICATIONS	1,188	-	1,188	1,200	1,224
42510	MAINT - BLDGS/IMPROVEMENTS	16	6,365	1,975	-	-
42523	MAINT - MACHINE/EQUIPMENT	7,429	8,275	125	-	-
42531	MAINT - FURNITURE/OFFICE EQUIP	-	530	500	550	561
	Supplies Total	**207,908**	**228,076**	**218,064**	**233,571**	**226,563**
43820	OTHER IMPROVEMENTS	16,273	-	-	-	-
43825	MACHINERY/EQUIPMENT	72,720	23,003	11,028	-	-
43840	COMPUTER EQUIPMENT	44,287	33,229	33,229	-	-
43845	COMPUTER SOFTWARE	-	-	12,559	-	-
	Capital Total	**133,280**	**56,232**	**56,816**	**-**	**-**
45003	GENERAL LIABILITY INSURANCE	28,828	30,425	30,425	23,685	26,054
45004	BUILDING MAINT - CURRENT SERVICES	289,066	289,831	289,831	341,171	330,163
45005	BUILDING MAINT - FUTURE REPLACEMENT	72,198	74,364	74,364	76,595	78,893
45009	INFO SYSTEM SERVICES	460,572	539,127	539,127	525,148	525,148
	Internal Services Total	**850,664**	**933,747**	**933,747**	**966,599**	**960,258**
3225 - PD Support Services Total		**1,915,893**	**2,062,690**	**2,007,849**	**2,062,201**	**2,086,255**

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Police Emergency Services [010-3230]

DIVISION DESCRIPTION

The Office of Emergency Services (OES) operates under the Special Operations Division. OES serves the City of Morgan Hill including City Teammates and Community Members. OES ensures the Emergency Operations Center (EOC) and Team are ready to activate in response to large scale emergencies at any time and that the community is ready for and resilient to whatever the next emergency may be.

The Emergency Operations Center (EOC) team structure follows the Incident Command System with a Director of Emergency Services (DES), Deputy DES, and Section Coordinators overseeing Operations, Planning, Logistics, and Finance. Within the Operations Section a Law Enforcement and Fire Rescue Branch are staffed respectively by a MHPD Police Captain and a Morgan Hill Fire (Cal Fire) Chief. Partner agencies are also integral to the EOC organization and include; the Morgan Hill Unified School District and American Red Cross.

In January of 2016 the Director of Emergency Services deemed 2016 the "Year of Agreements". Each EOC Section is focusing on creating and sustaining relationships and agreements with local business, non-governmental agencies, and faith based organizations to enhance our response capabilities. The "Year of Agreements" will build upon 2015's "Year of Preparedness".

OES coordinates with the Morgan Hill Amateur Radio Emergency Services (MHARES-Ham operators) for emergency auxiliary communications and manages the Community Emergency Response Team (CERT) and Volunteers in Policing (VIP) program.OES plays an integral role in the Santa Clara County Operational Area Signatories and other Local, Regional, State, and Federal emergency preparedness agencies.

The Office of Emergency Services maintains the City's Emergency Operations Plan (EOP). The EOP defines actions required of the City before, during, and after an emergency. Additionally, the EOP supports the Morgan Hill Municipal Code Chapter 2.44. These activities include the discharge of State and Federal Homeland Security Initiatives; mitigation of disasters to protect lives and reduce property damage; preparation of damage assessment reports and documentation; coordination of City employee training as Disaster Service Workers (DSWs); and implementation of community disaster preparedness programs to the public.

Morgan Hill's OES Coordinator represents the City as a member of the Santa Clara County Emergency Manager's Association (EMA), the California Emergency Services Association (CESA), and as of this year, the International Association of Emergency Managers (IAEM).

FY 15-16 ACCOMPLISHMENTS

- Coordinated volunteer/disaster service worker programs: Community Emergency Response Team (CERT), Amateur Radio Emergency Services (ARES), and Volunteers in Policing (VIPs)
- Oversaw two 8-week CERT training sessions
- Oversaw Map Your Neighborhood (MYN) program
- Represented Police Chiefs Association on the Santa Clara County Hospital Council for Disaster Preparedness
- Participated on Collaborating Agencies in Disaster Relief Effort (CADRE) Annual Conference Planning and served as one of two Master of Ceremonies
- Participated on Panel for Countywide Emergency Alerting System Request for Proposal

Police Emergency Services (continued)

- Participated on Panel for Countywide Local Hazard Mitigation Plan Request for Proposal
- Alert SCC program lead
- Represents Morgan Hill OES at the Interfaith Council
- Along with EOC Operations Section, Coordinated the development of an Emergency Shelter Team, who completed American Red Cross Shelter Training
- Member of PD's Peer Support Team
- Member of City Safety Committee representing PD

ACTIVITY GOALS

FY 16-17

- Ensure city-wide Standardized Emergency Management System (SEMS) and National Incident Management System (NIMS) compliance
- Coordinate a challenging (Functional) EOC exercise
- Update Local Hazard Mitigation Plan (due to State and Feds in December 2016)
- Update Emergency Operations Plan

FY 17-18

- Ensure city-wide Standardized Emergency Management System (SEMS) and National Incident Management System (NIMS) compliance
- Coordinate and deliver a Functional EOC exercise in conjunction with a local jurisdiction (Gilroy or San Jose) and County OES

COUNCIL GOALS

The activities below align with the priorities, goals, and strategies the City Council has set for 2016:

Enhancing Public Safety

- Increase VIP visibility in our community through implementation of VIP Community Foot Patrol; downtown, paths, and in partnership with MHUSD

Supporting Youth

- Continue to support youth by presenting Emergency Preparedness to the Youth Advisory Council (YAC) and MHUSD and private elementary schools
- Continue to offer community service hours students for participating in CERT training and disaster exercises
- Continue to work together with Boy and Girl Scouts on Disaster Preparedness in preparation for merit badges

Participating in Regional Issues

- Continue to participate in the Coastal Chapter of California Emergency Services Association the Santa Clara County Emergency Managers Association, and Santa Clara County Hospital Emergency Preparedness Council

FINANCIAL COMMENTS

In 2016 OES will continue to seek homeland security grant opportunities for EOC equipment, emergency response equipment, and EOC training.

Police Emergency Services (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	107,177	109,620	109,507	112,766	116,142
41320	EARNED LEAVE LIABILITY	2,488	2,668	2,668	3,412	3,548
41620	RETIREMENT - GENERAL	18,762	19,561	19,567	20,451	21,651
41690	DEFERRED COMPENSATION	1,072	1,096	1,095	1,128	1,161
41700	GROUP INSURANCE	7,376	7,559	7,375	7,376	7,376
41701	MEDICARE	1,601	1,596	1,600	1,593	1,637
41730	INCOME PROTECTION INS	1,306	998	1,312	1,311	1,311
41760	WORKERS COMP	2,658	5,481	2,716	2,819	2,904
41799	BENEFITS	421	420	422	432	432
	Salaries Total	**142,860**	**148,999**	**146,262**	**151,288**	**156,162**
42231	CONTRACT SERVICES	30	530	638	1,000	1,020
42245	COMPUTER HARDWARE-NON CAPITAL	1,337	1,591	2,500	1,600	1,632
42248	OTHER SUPPLIES	6,715	9,548	7,409	10,100	10,302
42250	ADVERTISING	-	1,061	-	1,060	1,081
42252	PHOTOCOPYING	-	637	300	300	306
42257	PRINTING	-	530	550	600	612
42261	AUTO MILEAGE	945	637	988	1,100	1,122
42408	TRAINING & EDUCATION	139	1,061	1,892	1,200	1,224
42415	CONFERENCE & MEETINGS	377	1,591	1,800	1,800	1,836
42423	MEMBERSHIP & DUES	110	530	380	305	311
42523	MAINT - MACHINE/EQUIPMENT	-	212	303	300	306
	Supplies Total	**9,652**	**17,929**	**16,760**	**19,365**	**19,752**
45003	GENERAL LIABILITY INSURANCE	5,242	4,681	4,681	3,589	3,948
	Internal Services Total	**5,242**	**4,681**	**4,681**	**3,589**	**3,948**
3230 - PD Emergency Services Total		**157,754**	**171,609**	**167,703**	**174,242**	**179,862**

Police Special Operations [010-3245]

DIVISION DESCRIPTION

The Special Operations Division is led by the Special Operations Captain. The division is guided by the department's Public Safety Strategic Plan. The Plan outlines 4 outcomes: Reduce Incidents of Crime, Increase Trust and Confidence in Police Department, Increase Feelings of Safety and Increase Proficiency of Staff. The Special Operations Division is responsible for coordinating major investigations and special enforcement activities. The Division provides police services to the City's schools and coordinates internal investigations.

There are seven detectives, a school resource officer and one part-time graffiti civilian assigned to this Division who perform varied tasks that include investigation of the following: person crimes, property crimes, domestic violence, narcotics and gangs, special event coordination, media information, graffiti removal and school resource officer services. Three of these detectives are assigned to regional task forces; Regional Auto Theft Task Force (RATTF), Santa Clara County Special Enforcement Team (SCCSET) and Drug Enforcement Administration Task Force (DEA).

The Special Operations Division provides a School Resource Officer dedicated to the Morgan Hill Unified School District. The officer is assigned to the two public high schools and two middle schools. The officer works on school campus directly with students and faculty to prevent or intervene in on-campus incidents. The District contributes $95,000 annually toward this officer's total compensation. Recently, the SRO has re-implemented the Parent Project and has completed two sessions this year.

This is the first full fiscal year that the police department has had three full time detectives in SCCSET, RATTF and DEA. Based in San Jose, the federal DEA Task Force conducts high level drug trafficking investigations throughout Santa Clara County. MHPD joined the Task Force in January 2015 through an asset seizure sharing agreement. Participating agencies receive annual revenue. During this fiscal year, Morgan Hill will receive over $17,000 in overtime reimbursement. It is anticipated that Morgan Hill will receive an additional $50,000.00 in asset sharing during the remainder of this fiscal year.

The second task force, SCCSET, was formed by the California Department of Justice and works in conjunction with the AB109 Task Force to monitor AB109 offenders. The AB109 Task Force enforces state drug laws and apprehends violent criminals who use illegal weapons in the commission of crimes. SCCSET is based in Campbell and operates as an all crimes task force that investigates drug sales, homicides, robberies and conducts electronic and visual surveillance. SCCSET contributes $50,000 toward the assigned officer's compensation.

The third task force, RATTF, is also housed in Campbell and is dedicated to the investigation and prosecution of auto thefts and related crimes throughout the County. RATTF provides 42% of the officer's compensation for participation in the task force.

As an active member of these three specialized units, the Police Department is able to leverage additional resources to investigate and prosecute drug sales, robberies, auto thefts and related crimes using a multi-disciplinary approach. The assigned officers gain expertise and skills in the investigation and prosecution of these crime types and share that knowledge with our team. Enhancing officer expertise and skills is aligned to Outcome Four in the Department's Strategic Plan – Increase Proficiency of Staff, which results in department-wide benefits.

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Police Special Operations (continued)

FY 15-16 ACCOMPLISHMENTS

- Achieved violent crimes clearance rate at 62% ;regional average is 48%
- Achieved property crimes clearance rate of 12%; regional average is 14%
- Achieved graffiti abatement goal of cleaning up all graffiti within 48 hours and all gang graffiti in within 24 hours. All graffiti is being recorded and uploaded into a county database
- The Department implemented a Public Safety Strategic Plan for years 2013-2016. This is the fourth year of the department's plan. In FY 2016-2019, the department will continue to use the same 4 outcomes. During this fiscal year, the Special Operations team has performed the following action items in furtherance of the 4 outcomes:

    1. DEA Task Force – Case RC-15-0021, Heroin wiretap investigation. From 1/2015 – 6/2015. 6 month heroin wiretap investigations which resulted in all 6 suspects convicted of narcotic trafficking in Santa Clara County/ San Joaquin County
    2. Completed the 9th session of the Citizens Police Academy
    3. Continued presentations of Run, Hide, Defend at churches, schools, local businesses
    4. Completed Active Shooter training to officer's incorporating Rescue Task Force protocol
    5. Parent Project program re-instituted; Two sessions conducted
    6. Assisted with implementing Restorative Justice Practices in MHUSD pilot schools
    7. Domestic Violence detective followed up/generated on over 230 cases.
    8. Domestic Violence detective provided the following training to various groups:
        - Provided Sexual Assault and Domestic Violence briefing training to South County Law Enforcement
        - Provided Stalking training and Domestic Violence Laws & Procedures to Community Solutions Advocates

ACTIVITY GOALS

FY 16-18

- Target hotspot crime areas using analytical data to inform community and conduct parole/probation/AB109 and warrant searches
- Maintain a clearance rate for Part 1 violent crimes at or above the regional average of 48%
- Maintain clearance rates for Part 1 property crimes at or above the regional average of 14%
- Continue to complete 70% of detective investigation follow-up within 60 days of receiving case
- Continue physical fitness program for detectives
- Ensure 100% compliance with Lexipol Daily Training Bulletins
- To provide LGBTQ Domestic Violence training to South County Law Enforcement

COUNCIL GOALS

The activities below align with the priorities, goals, and strategies the City Council has set for 2016:

Enhancing Public Safety

- Continue to conduct Active Shooter training based on revised county-wide protocol to the community

Police Special Operations (continued)

Protecting the Environment

- Continue to recruit volunteers in crime prevention and graffiti abatement
- Graffiti abatement within 72 hours of notification
- Graffiti abatement totaled clean-up of 931 incidents of graffiti in 2015

Maintaining Fiscal Responsibility

- San Jose DEA – Anticipate $50,000 through asset seizure sharing agreement
- SCCSET - $50,000 contribution toward officer's compensation
- RATTF – 42% of the officer's compensation
- SRO - $95,000 contribution toward officer's compensation

Supporting Youth

- Coordinate a minimum of two Parent Project sessions to our community.
- Conduct Run, Hide, Defend presentations at most MHUSD and private schools
- Conduct Cyber bullying/Internet Safety presentations most MHUSD and private schools
- Assist with School District implementation of Restorative Justice Practices
- Attend truancy hearings at the District Office to provide resources to youth and families.
- Refer youth and families to resources to help with drugs & alcohol, gangs, or mental health
- Attend school events, career days, and graduations
- Conduct home visits with school personnel to reduce truancy

Preserving and Cultivating Public Trust

- Conduct Run, Hide, Defend presentations at most MHUSD schools and churches
- Continue to recruit volunteers in crime prevention and graffiti abatement
- Continue to follow up with all victims of cases that are assigned to the detective bureau within 24 hours and keep them informed through all steps of the legal process
- Conducted two Citizen Police Academy sessions
- Continue to have the DV Detective work one day a week at the Family Justice Center (FJC)

Improving Our Communication

- Use social media, such as Facebook, Twitter and Nixle to educate the community and inform them of police activity and public safety announcements
- Conduct two Citizen Police Academy sessions

Participating in Regional Initiatives

- Participate on three regional crime taskforces
- Police Captain is member of County Domestic Violence Council
- MOU with Gilroy PD to follow up on felony DV crimes
- Police Captain serves as trustee on Legal Services Program for CPOA
- Member of South County Youth Task Force

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Police Special Operations (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41160	SALARIES - SAFETY	1,243,656	1,449,186	1,334,257	1,435,053	1,474,411
41271	SALARIES - PART-TIME TEMP	38,971	32,888	38,000	38,000	38,760
41320	EARNED LEAVE LIABILITY	39,386	40,575	40,575	39,204	40,772
41500	OVERTIME - SAFETY	85,120	81,477	83,000	93,000	94,860
41505	OVERTIME - SAFETY-SPECIAL PROJECTS	1,513	31,014	14,000	15,000	15,300
41520	OVERTIME - REIMBURSABLE	20,891	21,218	20,000	22,000	22,440
41630	RETIREMENT - SAFETY	430,395	484,231	484,000	516,088	546,358
41690	DEFERRED COMPENSATION	3,265	3,227	3,336	3,436	3,539
41700	GROUP INSURANCE	162,139	222,004	182,340	191,332	200,801
41701	MEDICARE	17,496	23,228	18,525	18,333	18,985
41701	MEDICARE PTT AND OT	-	-	2,248	2,436	2,485
41730	INCOME PROTECTION INS	6,000	2,618	6,218	6,406	6,406
41760	WORKERS COMP	35,973	76,216	36,073	71,753	73,721
41760	WORKERS COMP PTT AND OT	-	-	3,875	8,400	8,568
41799	BENEFITS	1,398	1,260	2,102	1,728	1,728
41800	UNIFORM	12,659	9,845	9,845	12,600	12,852
	Salaries Total	**2,098,864**	**2,478,986**	**2,278,395**	**2,474,769**	**2,561,985**
42231	CONTRACT SERVICES	104,489	128,578	125,475	135,550	138,261
42248	OTHER SUPPLIES	28,321	42,437	42,111	34,430	35,119
42252	PHOTOCOPYING	-	372	200	200	204
42408	TRAINING & EDUCATION	39	-	633	-	-
42415	CONFERENCE & MEETINGS	400	424	910	1,100	1,122
42423	MEMBERSHIP & DUES	225	318	910	1,455	1,484
42435	SUBSCRIPTION & PUBLICATIONS	1,404	1,591	1,390	2,275	2,321
	Supplies Total	**134,877**	**173,720**	**171,629**	**175,010**	**178,510**
45003	GENERAL LIABILITY INSURANCE	50,161	51,488	51,488	35,886	39,475
	Internal Services Total	**50,161**	**51,488**	**51,488**	**35,886**	**39,475**
3245 - PD Special Operations Total		**2,283,901**	**2,704,195**	**2,501,512**	**2,685,665**	**2,779,970**

Police Dispatch Services [010-8270]

DIVISION DESCRIPTION

The Dispatch Communications Unit, within the Support Services Division, receives all 911 emergency calls, including wireless 911, originating within Morgan Hill, as well as non-emergency calls for police services.

Emergency calls requiring fire and/or paramedic responses are passed through the Morgan Hill Center to Cal-Fire for apparatus dispatch and to County Communications for emergency medical pre-arrival instructions/ambulance dispatch. Situations originating in Morgan Hill, which require multiple agency response, are coordinated through our dispatch center.

Communications personnel receive and dispatch calls received after normal business hours for the city's public works activities. They also receive animal related calls for service within the City and dispatch appropriate personnel. The 911 dispatchers assigned to this division provide a wide variety of support to the officers. They monitor the holding facility, conduct investigations via multiple automated systems, compile photo line-ups and research historical data during patrol responses.

FY 15-16 ACCOMPLISHMENTS

The department implemented the Public Safety Strategic Plan for years 2013-2016. This plan consists of 4 major outcomes that include their own measurements and action items as means to track and achieve each one. The Dispatch Services Division upholds the following three outcomes: Increase Trust and Confidence in the Police Department; Increase Feeling of Safety; and Increase Proficiency of Staff by completing the following accomplishments:

- Continued participation of two Tactical Dispatchers assigned to the Regional SWAT team
- Met POST requirements for dispatcher training
- Continued participation in peer support group
- Processed 13,693 911 calls and 39,043 non-emergency phone calls
- Replaced 911 Public Safety Answering Point (PSAP) equipment using state 911 funds
- Purchased radio console equipment using Silicon Valley Interoperability Authority (SVRIA) guidelines
- Completed CAD- to-CAD integration using SVRIA guidelines
- Participated in patrol ride-alongs

ACTIVITY GOALS

FY 16-17 and 17-18

- Maintain upkeep and accuracy of GIS database in CAD
- Implement Quality Assurance (QA) system
- Hold quarterly division meetings
- Attend the California Law Enforcement Telecommunications System (CLETS) Users Group training
- Attend Advanced Tactical Dispatcher training
- Attend California Emergency Number Association conference

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Police Dispatch Services (continued)

COUNCIL GOALS

The activities below align with the priorities, goals, and strategies the City Council has set for 2016:

Supporting Youth

- Dispatchers volunteer their time to present 9-1-1 for Kids to kindergarteners through second graders in Morgan Hill public schools. 9-1-1 for Kids not only provides age-appropriate information on the proper use of 9-1-1 for young children, but also provides them with valuable skills of knowing what to do in a case of an emergency

Participating In Regional Initiatives

- On-going participation in regional interoperability projects, such as Silicon Valley Regional Interoperability Authority (SVRIA), Coplink, California Sex and Arson Registry and the Sheriff's Law Enforcement Technology System to provide seamless data and information sharing with other jurisdictions regarding law enforcement activities

FINANCIAL COMMENTS

During the FY16-18 budget process, the Police Department received approval for 8 Decision Packages totaling $263,402 to be expended during FY16-17. The Dispatch Division received approval to reinstate the position of Public Safety Dispatch Supervisor. This position existed several years ago within the Police Department and was cut due to the downturn in the economy. Due to the recent growth of the Department, adding this position is now warranted. The Dispatch Supervisor will be responsible for the day-to-day functions of the 911 communications center and will enhance operational efficiencies. This position will report to the Support Services Manager. The first year costs for the position are projected to be $158,225 with scheduled increases in subsequent years.

As part of the county-wide effort to enhance the interoperability for public safety communications, in FY14-15 the Police Department developed a funding strategy for participation in the Silicon Valley Regional Communications Systems Project (Radio Project). City Council approved the funding strategy in the amount of $325,767 to purchase 3 dispatch consoles in fiscal year 15-16. The new consoles replaced the existing ones with state-of-the-art communications equipment as part of a larger group purchase by public safety agencies in Santa Clara County. The City of Morgan Hill, along with neighboring communities, has entered into an agreement to purchase and install radio digital systems to augment interoperability. City Council also approved the funding strategy in the amount of $571,389.17 to purchase field radio equipment. Through this agreement, public safety agencies will implement the build-out of a regional communication infrastructure which will be activated in South County in the summer of 2016. The goal of the Radio Project is to develop a county-wide interoperable radio system that will enhance the ability of agencies to communicate with each other routinely as well as during critical events. Currently public safety agencies work on different radio systems that do not "talk" with one another. The Morgan Hill Fire Department is also participating in this project to increase communication capabilities among and between all member public service agencies.

Police Dispatch Services (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	822,812	839,806	842,929	952,796	981,152
41271	SALARIES - PART-TIME TEMP	331	30,719	516	30,000	30,600
41310	SALARIES - OTHER	-	-	-	-	-
41320	EARNED LEAVE LIABILITY	32,209	36,482	36,482	41,016	42,657
41490	OVERTIME - GENERAL	124,752	84,872	169,744	170,000	173,400
41500	OVERTIME - SAFETY	4,427	4,535	9,070	9,100	9,282
41620	RETIREMENT - GENERAL	145,669	149,855	152,147	170,018	182,907
41700	GROUP INSURANCE	81,462	83,319	82,153	84,574	87,872
41701	MEDICARE	9,978	13,937	9,831	10,041	10,378
41701	MEDICARE PTT AND OT	-	-	2,600	3,032	3,093
41730	INCOME PROTECTION INS	8,382	6,532	8,671	9,799	9,799
41760	WORKERS COMP	23,756	44,969	23,766	23,821	24,530
41760	WORKERS COMP PTT AND OT	-	-	4,483	10,455	10,664
41799	BENEFITS	1,170	1,260	632	432	432
41800	UNIFORM	6,480	5,601	5,601	6,480	6,610
	Salaries Total	**1,261,426**	**1,301,887**	**1,348,626**	**1,521,564**	**1,573,375**
42231	CONTRACT SERVICES	55,498	41,444	57,922	59,776	60,972
42245	COMPUTER HARDWARE-NON CAPITAL	-	10,609	10,609	11,209	11,433
42248	OTHER SUPPLIES	2,443	4,456	7,019	5,550	5,661
42299	OTHER EXPENSE	-	-	-	1,500	-
42261	AUTO MILEAGE	-	106	105	110	112
42408	TRAINING & EDUCATION	1,500	5,305	5,305	5,415	5,523
42415	CONFERENCE & MEETINGS	-	-	-	-	150
42523	MAINT - MACHINE/EQUIPMENT	-	2,122	2,200	2,180	2,224
	Supplies Total	**59,441**	**64,041**	**83,160**	**85,740**	**86,075**
45003	GENERAL LIABILITY INSURANCE	41,932	37,446	37,446	32,297	35,527
	Internal Services Total	**41,932**	**37,446**	**37,446**	**32,297**	**35,527**
8270 - Dispatch Services Total		**1,362,799**	**1,403,374**	**1,469,232**	**1,639,601**	**1,694,976**

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Community Development

Appropriations Summary

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Employee Services	$ 3,261,665	$ 3,366,918	$ 3,406,287	$ 3,925,935	$ 3,960,664
Supplies & Services	4,587,144	3,628,585	5,901,495	1,960,214	1,773,112
Capital Outlay	6,360	458,024	289,721	82,600	85,900
Debt Services	7,934,394	6,924,744	6,924,744	6,918,746	6,910,347
Internal Service	564,236	621,736	621,737	798,836	820,574
Transfers Out	458,692	563,104	563,105	156,740	116,165
Project Expenditure	10,662,668	14,048,209	17,488,115	4,305,376	1,500,000
TOTAL EXPENDITURES	**$ 27,475,158**	**$ 29,611,319**	**$ 35,195,203**	**$ 18,148,447**	**$ 15,166,762**

CODE COMPLIANCE	$ -	$ -	$ -	$ 135,689	$ 141,628
PLANNING	2,501,335	3,149,872	2,730,169	2,129,876	2,186,351
BUILDING	1,351,781	1,544,811	1,645,805	1,844,653	1,786,183
LONG RANGE PLANING	652,111	901,073	594,677	742,028	669,590
CDBG FUND	141,949	77,000	77,000	70,000	-
MOBILE HOME PARK RENT	738	801	801	840	880
HOUSING MITIGATION	3,642,807	3,771,348	2,040,940	3,081,079	1,294,171
COMH SUCCESSOR TO MHRDA DEBT SERVICE	7,934,394	6,924,744	6,925,235	6,918,746	6,910,347
COMH SUCCESSOR TO MHRDA ADMINISTRATION	3,285,606	1,018,566	2,941,126	440,229	244,073
COMH SUCCESSOR TO MHRDA CIP BOND PROCEEDS	7,670,218	11,602,913	17,551,100	-	-
SUCCESSOR HOUSING AGENCY	294,220	620,193	688,352	2,785,307	1,933,540
TOTAL EXPENDITURES BY PROGRAM	**$ 27,475,158**	**$ 29,611,319**	**$ 35,195,203**	**$ 18,148,447**	**$ 15,166,762**

FULL TIME EQUIVALENT EMPLOYEES	**19.72**	**19.87**	**19.87**	**21.77**	**21.62**

Community Development Department

DEPARTMENT DESCRIPTION

The Community Development functions contain activities of the City related to the built environment including Building, Building Inspection, Current and Long Range Planning, Code Enforcement, Economic Development and Affordable Housing, as well as related Administrative Support Services for those functions. The Assistant City Manager, Community Development Director, Building Official, Economic Development Director and Housing Manager comprise the Development Services management team. Recommendations in FY 16-17 to create an Economic Development Director position, and include the Building Official and Housing Manager as central figures within the management team will augment and strengthen the relationship of development services activities to the City's broader goals, policies and priorities.

Together, Community Development provides collaborative leadership on such City Council "Focus Areas" as 1) planning our community, 2) developing our community, 3) enhancing our service, 4) improving our communication and 5) participating in regional initiatives. Community Development also provides the comprehensive planning required to accommodate specific transportation enhancements, economic development attraction, retention, tourism and Placemaking activities to increase jobs and expand the City's tax base, as well as affordable housing preservation and development.

The 15-16 fiscal year saw high demands on planning and building activity as a strong housing development- oriented local economy continued. The residential development market remains vigorous, and the commercial/industrial market accounted for nearly 25% of building permit activity. For Morgan Hill, the health in the economy lead to the completion of development of many residential projects that in previous years had been awarded allocations through the Residential Development Control System (RDCS), deferring to build due to financial limitations. As in FY 13-14 and FY 14-15, in FY 15-16 the surge of activity was mitigated in some cases by contract planning, and building part-time and contract inspection services facilitating more that 14,400 building inspections. Contract planning services were used to assist private Downtown Development and the completion of the SEQ.

Grants were a key work effort as well, as the Community Development Department collaborated with Community Services, and others throughout the city team to receive $1.5 million in parks grants for downtown and re-submit requests for over $9.2 million in grants for enhanced forestation, improvements to public rights of way to enhance pedestrian, bicycle access, transit use and accessibility, park enhancements to provide benefits to neighborhoods with affordable housing, electric charging stations , activities to reduce greenhouse gas emissions, and an additional $1.2 M in new park funds to support Downtown park and trail construction and neighborhood park development.

FY 15-16 began marked by the closure of the City's former housing administration contractor, prompting re-tooling and remedial activity leading to the performance and evaluation of operations of Morgan Hill's Below Market Rate (BMR) housing ownership program, one TEFRA hearing to facilitate tax credit financing for rehabilitation of affordable rental housing units, and an evaluation of the current BMR in-lieu fee program and function within the Residential Development Control System (RDCS). Community Development also spent significant time, using outside consulting experts, surveying customers, reviewing and evaluating the development review process and flow as well as code enforcement program in an effort to identify opportunities to streamline, collaborate and provide higher quality and more timely service.

Community Development Department (continued)

FY15-16 ACCOMPLISHMENTS

- Development and installation of TrakIT- a fully automated, GIS computer based planning, building and business license system that will manage the entitlement and permit process
- Completion of the Housing Element Update of the General Plan
- Adoption of an Agricultural Land Use Preservation Program and Southeast Quadrant Area Plan
- Completion of the Morgan Hill 2035 General Plan Update Environmental Impact Report (EIR)
- Completion of a Downtown Parking Capacity Update
- Preparation of a Hotel Market Assessment
- Launch of the Economic Development Blueprint process
- Commencement of a planning effort, resulting from a grant of $320,000 from the Valley Transportation Authority (VTA) to be used towards the creation of a formal Station Area Master Plan for Downtown Morgan Hill
- Facilitation of Downtown Placemaking and public art projects
- Delivery of new public improvements
- Entitlement of private Development projects- specifically former redevelopment agency assets

ACTIVITY GOALS

FY16-17 and 17-18

- Significant time is anticipated in FY 16-17 and 17-18 to implement and build on performance enhancement opportunities identified in this review. Major work program milestones resulting from this review include utilizing TRAKiT to audit the review process for quality control, identifying inconsistencies and duplication, organizing work flow and work assignments to eliminate impediments to inefficiencies and fully utilizing the tools created to manage certainty in the development process. Other work program activities will include development of a regular customer service survey to gain on-going input about program efficiencies or impediments.
- The FY 16-17 Budget reflects an emphasis on core functions, the anticipation of continued growth in housing starts, a relatively more promising outlook for commercial and industrial new construction, proactive efforts to grow transient occupancy (TOT), sales and business to business revenues, management of multiple site private construction activity in the Downtown, servicing and delivering new affordable housing activities, and revising and revamping the development services "organization systems" by integrating the tools available through TRAKiT to review performance and deliver permits. The budget also anticipates significant activities related to finalizing the General Plan and related documents, the revised RDCS and related ballot initiative, High Speed Rail planning and collaboration as well as support of a myriad of other regional initiatives in housing, economic development, planning and building.
- The FY 16-17 Budget responds to the continued increase in permit activity, anticipated to stay robust through FY 17 -18. Minor changes to the Building Division organization are being proposed as a result of the review of the Code Enforcement program, recommending part-time administrative support for the Code Compliance Officer to improve efficiency, communication and effectiveness. The current budget already included one temporary part time administrative position. The proposed budget adds .5 FTE, creating 1 FTE Municipal Services Assistant (MSA) position. This position will serve Building and Code Compliance as well as perform plans archiving functions. The Code Compliance will not be funded 50% by the General Fund, due to the nature of work. Building anticipates the continued use of one part-time building inspector as well, to meet inspection demands.
- Building Division will see a major change as the organization prepares to hire a successor to the current Building

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Community Development Department (continued)

Official who will retire December 31, 2016. In late April 2016, Morgan Hill began a process to seek a professional to provide leadership and assume the role of the Building Official upon the retirement of the incumbent. A candidate with solid "plans review experience" is being sought to service in a role as senior plans examiner/ building official, while preparing to transfer to the Building Official position on January 1, 2017. Morgan Hill will seek a customer service oriented leader, passionate about working within a team setting, to mentor with the current building official and complete a seamless transition of administration.

- Changes to the Planning Division are also being proposed. FY 16-17 proposes the addition of a 1 FTE GIS Manager, that will be physically "located" in development services, and will be funded in a shared arrangement by Planning, Engineering, Public Safety, Community Services, and both Water and Wastewater Funds. As was recommended in the Development Services review, this position will allow all activities (land use, license, house numbering, infrastructure, etc) to be inputted into the GIS data base to maintain all geographically-based information and data bases in the city.
- The City's Affordable Housing focus will be in two areas; 1) protecting and rehabilitating the community's existing affordable housing supply and 2) creating a path to develop additional new affordable units that meet the general and special needs of Morgan Hill residents. Maintaining our existing housing inventory is paramount. Determining the long-term support for administration and maintenance of these assets will continue to be time consuming. Assisting with regional efforts to collaborate to meet the County's affordable housing needs, will also be a high priority. Also targeted on the priority list is the implementation of the EAH scattered site affordable housing project, scheduled to begin construction in the summer of 2016, and assisting EAH Housing with orchestration of major renovation activities of the 112 unit, Village Avante rental neighborhood.
- In FY 16-17 it will be important to focus economic development activity to help facilitate City development priorities and identify the development needed to assist with the retention and attraction of high-quality jobs, the development of vacant industrial and office acreage, expansion needs of existing business and the supply and balance of housing types required to accommodate all members of the business and residential community regardless of age, income and or physical ability. Partnerships with our existing business community will be key. The 16-17 budget anticipates creating an Economic Development Director position in recognition of the key role that this activity plays in the community and in the future Development Services/City leadership team. Funding for Economic Development is contained in the City Manager's budget; the economic development positions reside in Development Services.
- This budget proposes continued implementation activities fostering construction of former Downtown "opportunity sites", and familiarization of potential users and their brokers with service area voids, including hospitality, and retail with the strengthened market demographics and opportunities in Morgan Hill. These development amenities are critical to the support of further investment in the industrial park areas and Downtown, will enhance the City's quality of life and support the sports, recreation, leisure and tourism goals of Morgan Hill.
- As a special revenue fund, the Planning, Building, and Engineering Divisions (Engineering is in the Public Works Department) Fund 206 fees must cover all operating expenses. For FY 16-17 this is forecasted to occur. However, in FY 17-18 and beyond, the fund is projected to experience structural imbalance. The FY 15-16 work program began a review of fees by NBS; this analysis will be complete in the first quarter of FY 2016-17. Staff anticipates bringing a recommendation forward to Council as part of our comprehensive effort to ensure our processes are streamlined and the appropriate resources are dedicated to the development services process.

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Economic Development

DIVISION DESCRIPTION

The City of Morgan Hill's Economic Development (ED) mission is to improve the community's economic base and quality of life by helping create a dynamic local economy, with a vibrant Downtown, thriving shopping centers and a diverse mix of industrial and technological uses. Major services include business assistance and development, marketing and branding, policy analysis, strategic partnerships, and the advancement of key economic development initiatives. The ED Team collaborates closely with all City teammates and with business advocacy groups, including the Tourism Alliance, the Downtown Association (DTA) the Chamber of Commerce (MHCC), and the Morgan Hill Manufacturing Roundtable, which are engaged and empowered to deliver economic development as a top priority.

The City's Economic Development program has received modest funding since the dissolution of the Redevelopment Agency. Beginning in 13-14, the General Fund has provided limited but critical funding for economic development activities supporting the staffing of a program which has relied heavily on building partnerships, leveraging of other resources, and seeking out innovative and cost-effective ways to offer business assistance. In FY 14-15, the Program received a one-time boost with former RDA bond funds used to implement a portion of the Downtown Placemaking Investment Strategy. In FY 15-16, the Program was enhanced with one FTE position to support ED efforts focusing on the City's long-term economic sustainability and prosperity.

Currently, the Economic Development team is made up of a Economic Development Manager, an Economic Development Coordinator, a portion of the Assistant City Manager for Community Development and sporadic part-time temporary resources. FY 16-17 proposes the formalization of an ongoing part-time internship position to assist with Program implementation and outreach, as well as the evolvement of the Economic Development Manager position to Economic Development Director.

Major activities for Economic Development Division include business retention and attraction, marketing and promotion, policy analysis, supporting key economic development initiatives to create a thriving Downtown, development of strategic partnerships and participating in leadership positions in regional economic development and marketing efforts.

FY 15-16 ACCOMPLISHMENTS

- Managed tenant relocation and reestablishment of Peking Chinese Restaurant, Jesus Mexican Restaurant, Cherisse Hair Salon, United Academy of Martial Arts, Continental Stitch, Marco Polo Eastern Treasures, and Royal Clothiers. These businesses successfully relocated to locations in Morgan Hill and retained 26.5 employees
- Launched the Economic Blueprint engagement process
- Assisted with the implementation of Downtown Investment Strategy improvements, including developing a wayfinding signage program for the parking structure, public art, lighting and crosswalk enhancements
- Assisted redevelopment of former Redevelopment sites, resulting in the restoration of the Granada Theatre into a multi-purpose event and entertainment venue, a 29-unit mixed-use retail project at the Depot Center, a 12,200 SF retail project at 3rd and Monterey and a proposed Boutique Hotel with a spa and Market Hall at the former Downtown Mall--approximately $50 million in investment
- Developed a Public Facilities Agreement the property owner of the South Valley Bikes building to allow for the temporary placement of the "pop up"park and the redevelopment of the site into a multi-story mixed use project

Economic Development (continued)

- Assisted with the implementation of the Complete Streets Pilot Project and developed a suite of improvements to facilitate pedestrian safety and traffic calming through Downtown
- Implemented a Gateway Art Project through an extensive artist selection program coordinated through the Library, Culture and Arts Commission that resulted in the installation of an artwork that references Morgan Hill's geology as well as outdoor recreational activities in an illuminated colorful art piece by Blessing Hancock, from Tucson, AZ
- Successfully secured a $51,000 grant from - KaBOOM! Play 60 Play On grant - to implement the Dunne Avenue and Monterey crosswalk with a wine country and natural setting theme
- Held meetings with the Morgan Hill Manufacturing Stakeholder Group to identify opportunities for partnership, policy needs, and to support and expand Morgan Hill's manufacturing sector
- Connected with the top 25 companies, including largest employers and sales tax generators, to explore their operational and/or growth needs and craft a path to assist with their long term satisfaction and longevity in Morgan Hill
- Administered existing programs, such as the Impact Fee Financing Program, SCIP, and the Grow Morgan Hill Fund. Promoted regional programs like Work2Future on-the job training, regional Micro loans, PG&E equipment and energy efficiency financing, SBA and SCORE programs
- Attended trade shows throughout the year , consistent with the City's targeted industry sectors, with a particular focus on International Council of Shopping Centers (ICSC)
- Responded to Requests for Information from companies, developers, investors and site selection consultants. Provided ombudsman service to developers/owners of Juan Hernandez site, Mushroom Farm, South Bay (Butterfiled/Cochrane) site, and M-West sites
- Continued to update economic development information in City's website and increase presence in social media websites like Facebook and LinkedIn
- Worked with Super Bowl 50 organizers to promote Morgan Hill during this event. Achieved a five-minute news spot showcasing the "Light Up the Sky" ceremony.
- Developed a "Meet Morgan Hill" tri-fold brochure in collaboration with the Tourism Alliance and Hotel Coalition, DTA and MHCC. A partnership that resulted in $2,000 in contributions for the production and distribution of the brochure. The brochure was distributed locally at the San Jose Mineta International Airport and other regional facilities before Super Bowl 50
- Collaborated with local organizations to increase tourism in Morgan Hill, including reaching out and developing new partnerships with the San Jose Convention and Visitors Bureau and the Gilroy Visitor Center
- Worked with Hotel Coalition and Tourism Alliance to develop a marketing strategy and identify cross promotion opportunities
- Issued second Grow Morgan Hill loan to the "Running Shop and Hops" for $210,000
- Established "Key Economic Development Drivers" - developing financing infrastructure that adds capacity to Morgan Hill's business organizations by leveraging private dollars and establishing on-going sources of funding to promote economic development activities through the Grow Morgan Hill Fund
- Developed first annual South Silicon Valley Broker Breakfast showcasing South San Jose, Morgan Hill and Gilroy development opportunities to brokers and investors
- Participated at SVEDA (Silicon Valley Economic Development Alliance) broker breakfast for all major industrial/office and retail brokers and key property owners promoting development opportunities in Morgan Hill

Economic Development (continued)

- Participated in regional ICSC retail recruitment events, including Monterey, Napa and San Diego Conferences. Assisted with development program for ICSC Regional Retail Runway
- Launched the Economic Blueprint which will assist refine the General Plan Update Economic Development Element and provide policy guidance to support economic prosperity and sustainability
- Assisted with General Plan Update and Telecommunications Master Plan efforts
- Collaborated to develop a Banner Policy identifying standards for Downtown banners, designs guidelines and performance schedules
- Launched the Downtown Newsrack Consolidation Program that requires publications to use a City-sponsored condominium-style newsrack in order to consolidate racks into a single unit
- Supported local and regional economic development partnerships, assuming leadership positions on regional boards with a continued presence in the Silicon Valley Economic Development Alliance (SVEDA), the Silicon Valley Manufacturing Roundtable and the League of California Cities Housing, Community and Economic Development Policy Board

ACTIVITY GOALS

FY16-17

- Complete and begin implementation of the Economic Blueprint. Develop a communications and outreach campaign to share the findings of the Blueprint
- Continue to develop and update marketing and branding promotional materials and advertisements promoting Morgan Hill as a place for investment
- Promote retail opportunities at broker events, and through active participation at ICSC conferences
- Work with brokers, businesses and developers to develop industrial vacant properties, attract businesses and help with expansion opportunities
- Promote Downtown development opportunities to businesses and developers, with a focus to attract housing development
- Assist and lead the Transit Area Master Plan efforts to advance the vision of Downtown as a thriving business and community district
- Implement pedestrian calming, traffic calming and placemaking efforts to enhance the Downtown as a thriving dining and entertainment area
- Collaborate with property owners and developers to assist with the redevelopment of the South Bay Parcel, the M-West Property, the Juan Hernandez site and the Mushroom Farm
- Complete the Downtown News rack Consolidation Program
- Develop a Telecommunications infrastructure Master Plan that promotes greater broadband capabilities through policy and infrastructure improvements
- Assist with the Hotel Transient Occupancy Audit and work with Police, Housing and Building Departments to improve life-safety conditions
- Work with the downtown property owners to explore the creation of a new business improvement district to finance future infrastructure and maintenance improvements for the Downtown
- Implement the second annual South County Broker Breakfast

Economic Development (continued)

- Relocate the Pop Up Park to 2nd and Monterey and implement parklet opportunities to activate the public realm with bike corrals and active spaces
- Collaborate with M-West, South Bay and other key developers to develop a marketing piece that promotes the largest industrial parcels in Morgan Hill
- Complete the wayfinding sign Program in downtown Morgan Hill.
- Actively participate in the Silicon Valley Economic Development Alliance, the Silicon Valley Manufacturing Roundtable, ULI, BOMA and other real estate organizations
- Continue participation on League of California Cities Housing, Community and Economic Development Policy Board
- Actively engage with High Speed Rail to capitalize on opportunities to influence final alignment through Downtown
- Collaborate with local colleges and universities to implement a talent internship program in Economic Development

FY 17-18

- Continue to develop and update marketing and branding promotional materials and advertisements promoting Morgan Hill as a place for investment
- Promote retail opportunities at broker events, and through active participation at ICSC conferences
- Work with brokers, businesses and developers to develop industrial vacant properties, attract businesses and help with expansion opportunities
- Promote Downtown development opportunities to businesses and developers, with a focus to attract housing development
- Continue to implement pedestrian calming, traffic calming and placemaking efforts to enhance the Downtown as a thriving dining and entertainment area
- Collaborate with property owners and developers to assist with the redevelopment key industrial and commercial sites
- Continue to implement Economic Blueprint recommendations
- Implement OpenCounter, a web-based program that supports business development by streamlining the entitlement process and associated costs
- Implement the Telecommunications Infrastructure Master Plan recommendations
- Continue collaboration with the Tourism Alliance, DTA, MHCC and other business advocacy groups to promote Morgan Hill
- Implement the third annual South County Broker Breakfast
- Relocate Pop Up Park and reinvent into parklets
- Actively participate in the Silicon Valley Economic Development Alliance, the Silicon Valley Manufacturing Roundtable, ULI, BOMA and other real estate organizations
- Actively engage with High Speed Rail to capitalize on opportunities to influence final alignment through Downtown
- Continued focus work around the Economic Development Blueprint
- Continue regional participation in Silicon Valley Economic Development Alliance, Silicon Valley Manufacturing Roundtable and other organizations

Economic Development (continued)

COUNCIL GOALS

Economic Development will continue to support the priorities, goals and strategies of the City Council:

Enhancing public safety

- Work with the Downtown Association and the Community to make Downtown the most walkable, bike friendly, and vibrant and safest business district in Morgan Hill
- Continue to enhance lighting to create Placemaking and enhanced connections to parking areas and public spaces

Maintaining fiscal responsibility

- Implement an Economic Blueprint that will provide guidance for policy decisions that support long-term economic sustainability and prosperity for the City of Morgan Hill
- Develop a Telecommunications Master Plan that will strengthen broadband in the community, critical to business retention and expansion efforts
- Continue commercial, industrial and retail business attraction, expansion, and retention activities with a special focus on connecting with the top companies/employers to strengthen their presence in Morgan Hill
- Provide general business assistance information including the provision of economic, demographic, and general information to persons and companies interested in locating a business in Morgan Hill
- Facilitate an industrial development agreement for M-West that advances the development of that key industrial property in the Morgan Hill Ranch Business Park
- Assist with the implementation of sites #1 and #4 (Leal Hotel & Market Hall and Rodrigues/Imwalle Retail Project that will result in a $25.4 million investment

Supporting youth

- Continue to work with DTA and the Library, Cultural and Arts Commission to promote more art opportunities and programs that make Downtown and public spaces friendly to all sectors of the community
- Collaborate with Community Services and recreational interests to discuss additional outdoor facilities and connections that could encourage use of the Downtown for biking and hiking, and connect schools and transit to make access available for people of all ages by foot, bike or alternate modes of transportation

Fostering a positive organizational culture

- Continue to work as a team to provide a comprehensive "one voice" approach to processing development applications
- Continue to engage the City Team as customers as well as ambassadors of the ED Program

Preserving and cultivating public trust

- Actively engage with High Speed Rail activities to ensure the community is engaged and educated regarding the program and can provide feedback during the environmental review period
- Launch a communications campaign highlighting the Economic Blueprint findings

Planning Our Community

- Assist in the completion of the General Plan Update and Zoning Code Update

Economic Development (continued)

- Actively work with key industrial and commercial property owners to promote their sites for development
- Through the Economic Blueprint create a focused approach to attracting investment by targeted industries into Morgan Hill

Developing Our Community

- Implement the Economic Blueprint and Telecommunication Infrastructure Master Plan strategies
- Assist with the development of Leal Hotel, the City Ventures Depot Center Project, and the 2nd and Monterey project
- Promote development opportunity for the Hale Lumber site in Downtown

Enhancing Our Services

- Establish OpenCounter to offer online business assistance services, streamlining the entitlement process and fees for the business entrepreneur. OpenCounter will enhance the services offered by Track-It and will offer information in Spanish 24/7
- Through the on-going part-time internship program, the ED team can expand its business outreach and communications efforts

Improving Our Communication

- Improving, retooling information and content on our website
- Using social media such as LinkedIn, Facebook, Twitter and Nextdoor to communicate upcoming projects and initiatives
- Improving brochures and collateral on Morgan Hill's "value proposition"

Participating In Regional Initiatives

- Actively participate in the Silicon Valley Economic Development Alliance focused on Economic development projects and initiatives supporting the Bay Area, the Silicon Valley Manufacturing Roundtable
- Take leadership positions with High Speed Rail and South County Power Connect Task Forces

Financial Comments

The FY 16-17 budget assumes an additional $22,000 for part time internship support and a $25,000 contribution for Open Counter in FY 17-18, over the current FY program baseline. Funding for economic development is contained in the City Manager's budget.

Code Compliance [010-2700]

DIVISION DESCRIPTION

Code Compliance, previously an activity of the Building Division, is now established as its own Division beginning in FY16-17. The Code Compliance activity is responsible for enforcing building codes and complaints/concerns and/or violation of the Morgan Hill Municipal Code.

Common concerns and complaints can be:

- Work without permits
- Graffiti
- Illegal Home Occupations
- Junk/Debris in the front yard
- Structures- (Illegal garage conversions, additions, sheds etc)
- Maintenance of vacant lots

ACTIVITY GOALS

FY16-17 and 17-18

- Begin e-based code enforcement case management through TRAKIT. This enhanced function will allow community members to electronically submit complaints, and obtain information about Code Enforcement cases and compliance.
- Create a new code enforcement administrative citation bail schedule for noncompliant code violators.
- Modify the policies and procedures manual for code enforcement to align with Management Partners Code Enforcement Review recommendations.

COUNCIL GOALS

Enhancing Public Safety

- Creating a new code enforcement administrative citation bail schedule for noncompliant code violators

Enhancing Our Services

- Transitioning to a 2-year budget cycle
- Implementing TrakIT Land Management Software

FINANCIAL COMMENTS

Code Compliance Division consists of a Code Compliance Officer and 0.5 FTE of Municipal Services Assistant. The recommended budget includes the Code Compliance Activity to be funded 50% by the General Fund, due to the nature of the work. In addition, the budget also recommends a 0.5 FTE of a Municipal Services Assistant position, to provide administrative support to the Code Compliance Division.

Code Compliance (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	-	-	-	82,860	86,364
41620	RETIREMENT - GENERAL	-	-	-	15,027	16,100
41690	DEFERRED COMPENSATION	-	-	-	1,582	1,651
41700	GROUP INSURANCE	-	-	-	22,559	23,672
41701	MEDICARE	-	-	-	1,223	1,286
41730	INCOME PROTECTION INS	-	-	-	1,015	1,015
41760	WORKERS COMP	-	-	-	2,071	2,159
	Salaries Total	**-**	**-**	**-**	**126,337**	**132,247**
45003	GENERAL LIABILITY INSURANCE	-	-	-	2,779	3,057
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	6,573	6,324
	Internal Services Total	**-**	**-**	**-**	**9,352**	**9,381**
2700 - Code Compliance Total		**-**	**-**	**-**	**135,689**	**141,628**

Planning [206-5120]

DIVISION DESCRIPTION

The Current Planning program is responsible for the realization of the City's land use goals and policies through the administration of discretionary land use entitlements (e.g., Planning permits). The current planning division includes 2 Senior Planners, one of whom oversees the City's Residential Development Control System (RDCS), 1.5 Assistant/ Associate Planners, a Planning Technician and a Municipal Services Assistant (MSA). The work of the current planning program is also supported by contract planners.

Current Planning activities include reviewing proposed plans for compliance with the zoning section of the Municipal Code, Specific Plans, the General Plan, and the California Environmental Quality Act (CEQA) and implementation of the Santa Clara Valley Habitat Plan. Current Planning members also provide public information (counter) service, maintain Geographic Information System (GIS) data, and perform process improvements to improve service delivery. The most common land use permit processes administered by this division include RDCS applications, Zoning Amendments, Development Agreements, Subdivisions, Site and Architectural Review, Use Permits, Sign Permits, and Tree Removal permits. The current planning team works closely with the Building Division to review Building Permit applications and the construction of projects for consistency with Planning permits.

FY 15-16 ACCOMPLISHMENTS

- Conducted annual review of RDCS scoring criteria
- Conducted the 2015 Residential Development Control System (RDCS) Competition for 18 projects, including coordination of multiple departments to score each project, conduct of three Planning Commission hearings (preliminary scoring, final scoring and allotments), and City Council hearings of appeals for scoring and allotments
- Completed hearing process for 3 RDCS Zoning/General Plan Appeals
- Completed Zoning Amendment / Development Agreement / Subdivision process for 4 new residential projects
- Completed entitlements for commercial Downtown projects including Monterey/Third-Rodrigues & Imwalle, Monterey-Leal/Granada - Granada Hotel and Market Hall, Third and Depot -City Ventures, Betto's and Running Shop & Hops projects
- Completed permit tracking software design and implementation (go live in May)
- Completed Pre-zoning/USA Expansion process for SEQ and Monterey-Watsonville properties
- Completed various other Development Agreements, Use Permits, Site Review permits, etc
- Transition to in-house clerk/minutes for Planning Commission hearings
- Updated Planning Commission staff report format/template
- Conducted Planning Commission training
- Participated in LAFCO TAC for preparation of the Municipal Service Review
- Participated in the City's comprehensive RDCS update
- Completed review by outside consultant (Zucker Report) of City's land use permit processes

ACTIVITY GOALS

FY 16-17

- Manage the entitlement process for economic development and residential projects consistent with the City's design standards and customer service delivery goals. Process project applications, conduct California Environmental Quality Act (CEQA) reviews, administer development agreements, and conduct plan checks and final inspections for proposed and approved projects. Coordinate the review of projects with City staff and outside

Planning (continued)

agencies as necessary. Evaluate all development applications, working with applicants on suggested changes, and preparing and presenting staff reports, issues of concern, findings, recommendations, draft resolutions, and ordinances to the Planning Commission and City Council.

- Conduct the annual Residential Development Control System (RDCS) process for the allotment of residential units consistent with the City's growth management program. Determine allotments for competition categories. Provide preliminary review process for projects as requested.
- Provide information and customer support to assist residents, business persons, property owners and developers to administer planning and environmental review processes
- Prepare Planning Commission agendas and minutes. Conduct public noticing and posting of agendas as required.
- Coordinate and manage consultants as needed for planning and/or environmental review of projects
- Implement process improvements, including those identified in the Development Services Review Report
- Maintain land use and permit data and respond to data requests from the public or to support regional planning efforts
- Fully implement the City's new permit tracking system (TRAKiT) for the Development Services program, providing more efficient service delivery, enhanced customer service, and greater community access
- Conduct stakeholder outreach and implement new Current Planning fees to better implement a 100% cost recovery model
- Continue work on CEQA Thresholds of Significance and standardized mitigation measures and conditions of approval
- Continue participation in the One Bay Area (ABAG), Sustainable Communities Strategy, Regional Housing Needs Allocation through MTC and ABAG, and League of California Cities Housing, community and Economic Development Statewide Legislative Policy Board

FY 17-18

- Manage the entitlement process for economic development and residential projects consistent with the City's design standards and customer service delivery goals. Process project applications, conduct California Environmental Quality Act (CEQA) reviews, administer development agreements, and conduct plan checks and final inspections for proposed and approved projects. Coordinate the review of projects with City staff and outside agencies as necessary. Evaluate all development applications, working with applicants on suggested changes, and preparing and presenting staff reports, issues of concern, findings, recommendations, draft resolutions, and ordinances to the Planning Commission and City Council.
- Implement the new Residential Development Control System (RDCS) process for the allotment of residential units consistent with the City's growth management program. Determine allotments for competition categories. Conduct mandatory preliminary review process.
- Provide information and customer support to assist residents, business persons, property owners and developers to administer planning and environmental review processes.
- Prepare Planning Commission agendas and minutes. Conduct public noticing and posting of agendas as required
- Coordinate and manage consultants as needed for planning and/or environmental review of projects.
- Implement process improvements
- Maintain land use and permit data and respond to data requests from the public or to support regional planning

Planning (continued)

efforts
- Continue work on CEQA Thresholds of Significance and standardized mitigation measures and conditions of approval
- Continue participation in the One Bay Area, Sustainable Communities Strategy, and Regional Housing Needs Allocation through MTC and ABAG

COUNCIL GOALS

Enhancing public safety
- Coordinate the review of new land use development projects with both the Fire Department and Police Department to minimize fire/safety hazards in the physical environment. Use the Planning Permit process to enforce the Fire Code as well as Community Policing through Environmental Design (CPTED) principles
- Coordinate the review of new land use development with outside agencies responsible for overseeing flood safety and hazard avoidance
- Administer the California Environmental Quality Act (CEQA) to insure that new development meets environmental health standards related to noise, air quality, soil contamination, etc

Protecting the environment
- Administer the California Environmental Quality Act (CEQA) to insure that new development will have a minimal impact upon the environment through project design measures
- Review projects for consistency with Santa Clara Valley Habitat Plan conditions and collect Habitat Plan implement fees and transfer fee revenues to the Habitat Agency
- Implement the City's General Plan to achieve long-term goals for a sustainable community

Maintaining fiscal responsibility
- Review potential General Plan land use changes for potential fiscal impacts
- Provide a streamlined entitlement process for economic development priority projects
- Operate the permit entitlement process on a cost-recovery or near cost-recovery basis

Preserving and cultivating public trust
- Enable community participation in the planning process, including notifying all property owners within a certain distance of proposed development projects and staffing the public information counter
- Provide a high level of customer service for public information and permit processing programs

Planning Our Community
- Implement the City's land use policy framework, including the General Plan, Zoning Code and RDCS
- Enable community participation in the planning process, including notifying all property owners within a certain distance of proposed development projects and staffing the public information counter
- Develop the M-West Masterplan

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Planning (continued)

Developing Our Community

- Implement Redevelopment Sites #1 & 4 (Leal Hotel & Market Hall)
- Implement EAH scattered site development

Enhancing Our Services

- Implement TRAKiT Land Management Software

Improving Our Communication

- Use TRAKiT to provide greater public access to land use permitting information

Participating In Regional Initiatives

- Implement the Santa Clara Valley Habitat Plan
- Participate in regional GIS best practice forums

FINANCIAL COMMENTS

Development processing activities are funded by the Community Development Fund, from development processing fees that pay for service. These funds are accounted for separately from the General Fund. On January 18, 2012, the City Council adopted a revised fee schedule to help ensure full cost recovery for building, planning and engineering services provided to the community. Engineering and Building fees are keeping pace with activity. However, Planning fees continually fall short of total cost recovery. The City has selected a consultant (NBS) to conduct a comprehensive review of Planning fees for cost recovery, including a technology surcharge to cover the costs of maintaining an electronic permit tracking system. This study is anticipated to be completed and considered by the Council in early FY 16-17.

In order to maintain the excellent customer service, and help expedite the development entitlement process, Planning division will continue to make use of outside consultants to supplement existing in-house staff resources. The cost of this consultant services are fully borne by the development community that takes advantage of this service on a project by project basis, with no impact to City funds.

The FY16-18 recommended budget also includes a new GIS Manager position, which will be funded 41% by Community Development Fund(15%- Planning, 11%-Building, 15% Engineering), and remainder by the General, Park Maintenance, Water and Wastewater Funds. The previously adopted transfers from Planning to Long Range Planning, to fund the Morgan Hill 2035 project, are set to expire at end of FY15-16. Although the Morgan Hill 2035 project will extend into the future fiscal years, planning will only provide funding through the previously adopted 15% surcharge fee for LRP, on all planning activity in the City.

Planning (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	720,261	703,731	686,322	802,488	837,974
41271	SALARIES - PART-TIME TEMP	79,296	112,000	100,679	50,000	50,000
41320	EARNED LEAVE LIABILITY	18,358	21,986	21,986	21,621	22,486
41490	OVERTIME - GENERAL	3,612	530	2,292	700	750
41620	RETIREMENT - GENERAL	126,080	125,890	122,411	145,539	156,215
41690	DEFERRED COMPENSATION	15,194	13,386	16,651	19,907	20,750
41700	GROUP INSURANCE	98,275	103,006	97,282	113,407	118,859
41701	MEDICARE	10,674	10,562	10,287	10,388	10,935
41701	MEDICARE PTT AND OT	-	-	1,493	735	736
41730	INCOME PROTECTION INS	8,388	5,941	7,844	7,739	7,739
41760	WORKERS COMP	19,978	35,696	19,362	20,063	20,949
41760	WORKERS COMP PTT AND OT	-	-	2,574	1,268	1,269
41799	BENEFITS	4,223	4,129	4,292	5,053	5,053
	Salaries Total	**1,104,338**	**1,136,857**	**1,093,474**	**1,198,908**	**1,253,715**
42214	TELEPHONE	6,350	12,731	7,000	7,000	7,000
42228	GASOLINE & OIL	-	849	-	-	-
42231	CONTRACT SERVICES	31,075	149,153	193,161	45,000	45,000
42236	BANK CARD SERVICE FEES	17,877	11,271	19,886	19,886	19,886
42237	CONTRACT SERVICES-PLANNING REQUESTS	868,832	512,289	519,024	200,000	200,000
42239	CONTRACT SERVICES-ENVIRONMENTAL REQUESTS	-	300,000	60,000	200,000	200,000
42244	STATIONERY & OFFICE SUPPLIES	1,955	2,625	2,000	2,700	2,700
42245	COMPUTER HARDWARE-NON CAPITAL	2,655	2,500	3,000	3,600	3,600
42246	COMPUTER SOFTWARE-NON CAPITAL	2,777	2,652	1,200	1,224	3,000
42248	OTHER SUPPLIES	828	5,305	1,500	1,530	1,561
42250	ADVERTISING	23,552	10,609	23,000	18,000	18,360
42252	PHOTOCOPYING	4,335	11,670	4,000	4,000	4,080
42254	POSTAGE & FREIGHT	2,523	3,713	2,000	2,040	2,081
42257	PRINTING	243	2,122	1,000	1,000	1,000
42261	AUTO MILEAGE	859	1,008	1,000	1,020	1,040
42299	OTHER EXPENSE	-	5,940	178	1,875	-
42408	TRAINING & EDUCATION	2,496	4,880	2,000	4,880	4,880
42415	CONFERENCE & MEETINGS	5,842	4,880	4,880	4,880	4,880
42423	MEMBERSHIP & DUES	1,336	15,277	2,000	2,000	2,040
42435	SUBSCRIPTION & PUBLICATIONS	505	530	531	531	531
42526	MAINT - AUTO/TRUCKS	-	372	-	-	-
	Supplies Total	**974,040**	**1,060,377**	**847,360**	**521,166**	**521,639**
43840	COMPUTER EQUIPMENT	-	9,000	4,296	-	-
43845	COMPUTER SOFTWARE	6,360	444,024	285,425	82,600	85,900
	Capital Total	**6,360**	**453,024**	**289,721**	**82,600**	**85,900**
45003	GENERAL LIABILITY INSURANCE	11,554	14,049	14,049	20,127	22,140
45004	BUILDING MAINT - CURRENT SERVICES	27,199	26,431	26,431	47,590	45,789
45005	BUILDING MAINT - FUTURE REPLACEMENT	4,258	4,386	4,386	4,518	4,653
45009	INFO SYSTEM SERVICES	40,340	47,220	47,220	76,394	76,394
45010	GF ADMIN	133,066	139,719	139,719	146,705	154,040
	Internal Services Total	**216,417**	**231,805**	**231,805**	**295,334**	**303,015**
49224	TRANSFER OUT-740 (BUILDING MAINTENANCE)	56,758	105,127	105,127	-	-
49214	TRANSFER OUT-207 (GENL PLAN UPDATE)	130,923	130,923	130,923	-	-
49241	TRANSFER OUT-BOND/DEBT	12,499	14,634	14,634	9,419	10,857
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	17,125	17,125	22,450	11,225
	Transfer Total	**200,180**	**267,809**	**267,809**	**31,869**	**22,082**
5120 - Planning Total		**2,501,335**	**3,149,872**	**2,730,169**	**2,129,876**	**2,186,351**

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Building [206-5130]

DIVISION DESCRIPTION

Building Division reviews construction plans, issues permits, and provides field inspections for all construction and property development activities to ensure compliance with mandated regulations. The Building Division is responsible for fire prevention activities including plan review and inspections, and complaint based Code Enforcement activities, which include investigation, case maintenance, case resolution, annexation inspections and business license reviews and Certificate of Occupancy inspections for zoning and building compliance.

In FY 16-17, it is proposed that the division eliminate the .5 temporary Fire Inspector position, while making permanent the 2 year Building Inspector II position added in FY 15-16, and shifting the fire inspection functions to this Inspector. This proposed shift phases out the .5 temporary Fire Inspector position by FY 16-17, thus allowing time for training. Having full-time staff available to perform the functions of fire plan review and inspections, results in enhanced service for division customers. Included in FY 16-17 work plan is succession planning to replace the current Building Official, retiring December 31, 2016. The goal is to hire a new Building Official by the end of the second quarter of calendar year 2016 to allow training with the current Building Official to create very smooth and undisruptive transition. The division currently uses the services of a .5 FTE Municipal Services Assistant (MSA) position to support building counter and customer service functions. The FY 16-17 budget proposes to increase this to a full-time MSA to support not only building, but also code enforcement with case management. This is consistent with recommendations from the March 2016 "Review of Code Enforcement", by Management Partners, which recently reviewed the City's code enforcement program making recommendations for improvement. The new MSA position will also assist customers at the building division counter, provide support services for the Development Services Technicians and electronically scan plans for TRACKIT archives. Further, Building Division customer service requests have gradually increased over past few years, as the City's population has grown, with the demand for homeowner permitting and other general assistance increasing proportionately. To meet the needs of a growing community this new MSA position will help meet the service levels expected by the customers Morgan Hill serves.

FY 15-16 ACCOMPLISHMENTS

- Established an administrative citation process to help adjudicate noncompliant code enforcement cases. Penalties collected from this process are retained by the Building Division. Managed as many as 120 active code enforcement cases at one time
- Interviewed and selected software providers for a new permit tracking and plan review system
- Upgraded the Building Inspectors' iPads, giving them additional capabilities by having full access to the division network
- Purchased electronic scanner for records storage. This continues as an on-going function of the division. The purchase of an electronic scanner has increased the ability to perform multiple functions

ACTIVITY GOALS

FY 16-17 and 17-18

- Full implementation of TRAKIT computer data base will be utilized for development processing of plans and permits. This new system will allow easier tracking of plan review, permits and inspections and includes code enforcement activities
- Begin web based plan review and permitting through TRAKIT. This enhanced function will allow applicants to

electronically submit and obtain approval without visiting the DSC.
- Create a new code enforcement administrative citation bail schedule for noncompliant code violators
- Modify the policies and procedures manual for code enforcement to align with Management Partners recommendations

Council Goals

Planning our Community

- Completing a Community Development Fund fee Study

Enhancing our Services

- Transitioning to a 2-year budget cycle
- Implementing TrakIT Land Management Software

FINANCIAL COMMENTS

The Building Division is funded by development processing fees and includes a Building Official/Building Manager, one part-time Fire Inspector, one Building Inspector Supervisor, 2.5 Building Inspectors, one Code Enforcement Officer, one .5 MSA, one part time Geologist and 2 Development Services Technicians. FY 16-17 recommends converting the part-time MSA to full- time, adding .5 MSA to support code enforcement activities. Also beginning in FY 16-17, 50% of Code Enforcement expenses will be funded by the General Fund due to the nature of the work performed. The recommended budget also includes a new GIS Manager position, which will be funded 41% by Community Development Fund (15%- Planning, 11%-Building, 15% Engineering), and remainder by the General, Park Maintenance, Water and Wastewater Funds.

Building and fire prevention inspection activities continue to average 270 inspections per week, consistent with the FY 15-16 high of 270 inspections per week. Residential plan review and permit activity continue to dominate the building division work load, however, commercial plan review and building permit activity has increased, accounting for about 25% of overall building division activity.

Developers indicate they will continue building single family homes during FY 16-17 as long as real estate sales remain strong and housing sales inventory remains low. There has been an increase of commercial tenant improvements and new commercial development. This recent shift in commercial development activity began at the outset of FY 15-16 and has generated positive outlook for the local economy.

Building (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	689,651	722,435	739,905	904,224	857,044
41271	SALARIES - PART-TIME TEMP	55,344	42,000	126,831	59,160	60,343
41320	EARNED LEAVE LIABILITY	26,527	31,073	31,073	24,557	25,539
41490	OVERTIME - GENERAL	17,411	12,000	3,170	5,000	5,100
41620	RETIREMENT - GENERAL	120,307	129,228	133,207	163,990	159,771
41690	DEFERRED COMPENSATION	14,113	13,293	15,464	18,946	18,008
41700	GROUP INSURANCE	87,339	93,847	111,787	137,883	132,054
41701	MEDICARE	8,933	11,290	10,007	8,739	9,148
41701	MEDICARE PTT AND OT	-	-	1,885	930	949
41730	INCOME PROTECTION INS	6,403	5,712	6,584	8,011	7,350
41760	WORKERS COMP	19,018	37,461	21,250	22,606	21,426
41760	WORKERS COMP PTT AND OT	-	-	3,250	1,604	1,636
41799	BENEFITS	2,324	2,218	2,547	2,608	2,608
41800	UNIFORM	1,064	743	743	758	773
	Salaries Total	**1,048,434**	**1,101,300**	**1,207,704**	**1,359,015**	**1,301,749**
42214	TELEPHONE	12,710	13,792	12,000	14,000	14,280
42228	GASOLINE & OIL	7,823	5,835	6,000	7,000	7,140
42231	CONTRACT SERVICES	20,993	106,084	118,112	85,000	86,700
42236	BANK CARD SERVICE FEES	18,383	18,478	12,000	20,000	20,400
42244	STATIONERY & OFFICE SUPPLIES	1,924	3,713	2,000	3,000	3,060
42245	COMPUTER HARDWARE-NON CAPITAL	2,279	5,787	5,000	6,000	6,120
42246	COMPUTER SOFTWARE-NON CAPITAL	2,777	3,183	1,000	1,000	1,020
42248	OTHER SUPPLIES	7,006	1,591	1,500	2,000	2,040
42250	ADVERTISING	-	318	500	-	-
42252	PHOTOCOPYING	1,666	2,122	1,500	2,500	2,550
42254	POSTAGE & FREIGHT	947	849	900	900	918
42257	PRINTING	322	1,591	1,200	1,600	1,632
42261	AUTO MILEAGE	-	106	100	200	204
42281	SMALL TOOLS	15	-	-	-	-
42299	OTHER EXPENSE	514	318	100	1,475	130
42408	TRAINING & EDUCATION	1,680	7,957	3,000	7,000	7,140
42415	CONFERENCE & MEETINGS	411	2,122	1,500	3,500	3,570
42423	MEMBERSHIP & DUES	2,706	530	745	600	612
42435	SUBSCRIPTION & PUBLICATIONS	2,016	530	2,080	600	612
42526	MAINT - AUTO/TRUCKS	4,855	2,122	2,381	3,000	3,060
	Supplies Total	**89,029**	**177,029**	**171,618**	**159,375**	**161,188**
45003	GENERAL LIABILITY INSURANCE	10,837	14,767	14,767	25,849	28,434
45004	BUILDING MAINT - CURRENT SERVICES	23,799	23,127	23,127	47,721	45,915
45005	BUILDING MAINT - FUTURE REPLACEMENT	3,726	3,838	3,838	3,953	4,072
45006	FLEET REPLACEMENT	-	14,997	14,997	18,759	18,759
45009	INFO SYSTEM SERVICES	54,429	63,713	63,713	68,959	68,959
45010	GF ADMIN	83,301	87,466	87,466	91,839	96,431
	Internal Services Total	**176,092**	**207,907**	**207,908**	**257,081**	**262,570**
49212	TRANSFER OUT-232 (ENVIRONMENTAL PROGRAMS)	25,727	28,466	28,466	39,344	40,975
49241	TRANSFER OUT-BOND/DEBT	12,499	12,805	12,805	7,326	8,445
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	17,304	17,304	22,512	11,256
	Transfer Total	**38,226**	**58,575**	**58,575**	**69,182**	**60,676**
5130 - Building Total		**1,351,781**	**1,544,811**	**1,645,805**	**1,844,653**	**1,786,183**

Long Range Planning [207-5170]

DIVISION DESCRIPTION

Long Range or Advanced Planning is responsible for the development of City policies and ordinances to guide the ongoing use of land within Morgan Hill. A key component of these policies is the General Plan which establishes a long-term, 20 year vision for land uses and the related delivery of municipal services within Morgan Hill. This program also includes maintenance of the City's Zoning Code, special projects such as the Climate Action Plan, and the establishment of environmental review thresholds. The long range planning program involves:

- Monitoring and updating as necessary, the City's planning policy and implementing documents, such as the General Plan, Specific Plans, and Zoning Ordinance
- Ensuring consistency of the Zoning Ordinance and Zoning Map with the General Plan Land Use and Transportation diagrams
- Assisting decision-makers in identifying and evaluating future options for the growth and development of the community
- Undertaking major long range planning projects, including the development of an Agricultural Lands Preservation Program, the Southeast Quadrant land use plan, the Habitat Conservation Plan, a Climate Action Plan, and the Monterey/Watsonville Urban Services Area Adjustment
- Participating in regional planning efforts as an advocate for Morgan Hill

The Long Range Planning Fund 207 supports a number of future planning projects, with their related revenue sources and expenditure amounts. Chief among these projects in terms of importance, scope and cost is Morgan Hill 2035, composed of a General Plan Update and other major policy planning, implementation, and environmental documents described in more detail below. Long Range Planning also includes the ongoing Agricultural Lands Preservation Program, development of a form-based Zoning Overlay for the Monterey Corridor, preparation of a Climate Action Plan, support for the Economic Blueprint, coordination of the review of General Plan Amendment applications, ongoing Boundary Adjustment projects, and associated staffing and services. For 2015, four specific focus areas were recognized by the City Council that will require significant resources.

The Long Range Planning team consists of a dedicated Senior Planner, which is supported by the Leadership and the Planning team, as well as consultants. The Long Range Planning team also supports the Current Planning program, participating in the development of TRAKiT and managing the City's Planning and Building fee cost-recovery nexus analysis.

FY 15-16 ACCOMPLISHMENTS

- Completed fourth phase of the Morgan Hill 2035 Project, including preparation of the draft General Plan document. This work included multiple levels of continued community engagement, including conduct of Community Workshops, joint City Council/Planning Commission Study Sessions, Stakeholder meetings and General Plan Advisory Committee meetings. The GPAC has conducted 23 meetings throughout the Update process including 6 during the current fiscal year
- Integration of a Climate Action Plan into the General Plan
- Preparation of a draft update to the RDCS, including release of Framework, Public Review and multiple revised Draft documents. Preparation included 7 Working Group meetings, 4 joint Planning Commission - City Council sessions and 9 Planning Commission Workshops during this fiscal year

Long Range Planning (continued)

- Preparation and public circulation of a Draft Environmental Impact Report and preparation of a Final EIR to respond to comments received on the Draft EIR for the Morgan Hill 2035 Project
- Begin work on the comprehensive update of the City's Zoning Code Update, including stakeholder and Planning Commission review sessions
- Continued implementation of the City's Agricultural Land Use Preservation Program, including application to LAFCO for an Urban Service Area Expansion within the SEQ Area
- Adoption of Zoning Code amendment to establish design standards for medium density residential development. This effort included four Planning Commission design workshops and extensive research by staff to develop the Code language
- Adoption of a Water Efficient Landscape Ordinance based on a regional model
- Reengagement with the High Speed Rail Authority to discuss the HSR plan and schedule as they relate to Morgan Hill
- Fund 206 Planning and Building Fee Nexus Study
- Participation in consultant selection process for the grant-funded Station Area Planning process
- Completion of a Downtown Parking Analysis
- Launch of the Downtown Station Area Master Plan

ACTIVITY GOALS

FY 16-17

- Complete the Morgan Hill 2035 Project, including final adoption of the General Plan Update, Zoning Code Update and voter approval process for the RDCS update
- Continue implementation of the City's Agricultural Lands Preservation Program, including participation in the Santa Clara County Framework project and selection of a consultant/entity to acquire easements under the City's adopted Program
- Continue to work on updates to Title 18 (Zoning Code) of the Municipal Code, as they arise, and as part of the comprehensive Morgan Hill 2035 project
- Complete the Downtown Station Area Plan
- Prepare an Addendum to the Downtown Specific Plan
- Initiate preparation of a Monterey Corridor Form Based Zoning District
- Updates to the City's Architectural Review Handbooks and Zoning Code to improve design standards

FY 2017-18

- Complete preparation of a Monterey Corridor Form Based Zoning District
- Continue to work on updates to Title 18 (Zoning Code) of the Municipal Code, as they arise
- Continue implementation of the City's Agricultural Lands Preservation Program
- Engage in new long-range planning activities as directed by City Council and to further implement the Morgan Hill 2035 General Plan
- Updates to the City's Architectural Review Handbooks and Zoning Code to improve design standards

Long Range Planning (continued)

COUNCIL GOALS

Enhancing public safety

- Ensure that the City has a land use policy framework (including components of the General Plan and RDCS) that promote public safety

Protecting the environment

- Maintain land use policies that project the environment within and around Morgan Hill

Maintaining fiscal responsibility

- Maintain land use policies and a General Plan land use diagram compatible with the City's goals for fiscal responsibility

Preserving and cultivating public trust

- Strive to maximize opportunities for community engagement in long range planning activities through use of planning and outreach best practices

Planning Our Community

- Complete the General Plan Update
- Complete the Zoning Code Update
- Update the Residential Development Control System
- Support the creation of an Economic Development Blueprint
- Complete a Station Area Master Plan
- Update the Downtown Parking Strategy

Developing Our Community

- Implement the City-wide Agriculture Mitigation Ordinance

Participating In Regional Initiatives

- Work with the High Speed Rail Authority to achieve the City's goals for the implementation of HSR within Morgan Hill

FINANCIAL COMMENTS

Long range planning activities are primarily funded by the Long Range Planning fee charge on all development applications. The Long Range Planning fee was adopted by the City Council on March 21, 2012 by increasing the fees for most Planning and Building permit activities and some Engineering permit activities by 15% to fund the City's long range planning program. The program is, to a lesser degree, also funded by transfers from a combination of other City funds, including the General Fund, Park Funds, Community Development, Drainage Impact, Sewer, Water Funds. These transfers were made at a higher level to fund the Morgan Hill 2035 project, and were scheduled to the budget on a time-limited basis and are scheduled to expire at the end of FY 15-16. The Morgan Hill 2035 project will however extend into FY16-17 and additional long-range planning activities (e.g., Downtown Station Area Plan, Monterey Corridor Form Based Code, Live Oak Area Neighborhood Plan) are proposed to continue over the next two fiscal years

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Long Range Planning (continued)

and likely beyond. The recommended budget includes a proposal to continue these transfers from all funds except Community Development and Housing Programs Fund. Community Development Fund will continue to be the contributor via Planning and Building activities, which includes the 15% adopted surcharge fee towards Long Range Planning.

Much of the cost of the Morgan Hill 2035 project consisted of consultant fees related to the preparation of the General Plan, RDCS Update, Zoning Code and EIR documents.

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Long Range Planning (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	226,435	212,156	221,198	275,379	296,209
41271	SALARIES - PART-TIME TEMP	22,866	-	-	-	-
41320	EARNED LEAVE LIABILITY	2,623	4,386	4,386	5,371	5,586
41620	RETIREMENT - GENERAL	39,645	37,857	39,488	49,943	55,219
41690	DEFERRED COMPENSATION	7,071	6,295	7,731	9,274	9,789
41700	GROUP INSURANCE	19,065	18,873	18,675	23,322	24,111
41701	MEDICARE	3,440	3,124	2,994	3,672	3,957
41730	INCOME PROTECTION INS	2,094	1,547	1,831	2,172	2,171
41760	WORKERS COMP	6,234	10,608	5,484	6,885	7,405
41799	BENEFITS	3,290	3,312	3,311	4,378	4,378
	Salaries Total	**332,763**	**298,158**	**305,097**	**380,396**	**408,825**
42214	TELEPHONE	1,041	1,273	1,250	1,275	1,301
42231	CONTRACT SERVICES	279,492	561,311	245,823	200,000	200,000
42236	BANK CARD SERVICE FEES	14	1,167	350	357	364
42248	OTHER SUPPLIES	-	-	-	100,000	-
42415	CONFERENCE & MEETINGS	5,427	-	3,000	3,060	3,121
42423	MEMBERSHIP & DUES	868	1,857	1,850	1,887	1,925
	Supplies Total	**286,842**	**565,608**	**252,273**	**306,579**	**206,711**
45003	GENERAL LIABILITY INSURANCE	3,852	3,252	3,252	5,002	5,502
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	11,832	11,384
45010	GF ADMIN	28,654	30,087	30,087	31,591	33,171
	Internal Services Total	**32,506**	**33,339**	**33,339**	**48,425**	**50,057**
49241	TRANSFER OUT-BOND/DEBT	-	-	-	1,047	1,206
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	3,968	3,968	5,581	2,791
	Transfer Total	**-**	**3,968**	**3,968**	**6,628**	**3,997**
5170 - Long Range Planning Total		**652,111**	**901,073**	**594,677**	**742,028**	**669,590**

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Housing Programs [Funds 234, 235, 236, and 255]

Division Description

In FY 15-16 the Housing Division continued to be challenged with the effects of the elimination of the Redevelopment Agency and the resulting loss of $4 million in annual funding to support the rehabilitation and development of affordable housing in Morgan Hill. These housing funds were the cornerstones of the City's very successful housing program. Historically the City has built a model Program with one of every ten units being affordability restricted. In addition, the City has produced more affordable ownership housing per capita, than any other City in the State. In the absence of redevelopment, this successful program must develop new strategies to support administrative costs of the Below Market Rate (BMR) Program, as well funding sources to subsidize the production of "deeply" affordable, very low and extremely low income rental units.

In the "Post-RDA Era", cities have been required to use creative means to continue to fund their programs and manage their existing housing stock, all the while the affordability crisis has grown and the pressure to create affordable housing opportunities has increased. The Housing Division continues to work to strike a balance between cost, efficiency, planning for long term sustainability, provision of housing at all affordability levels, responsive service and the multiple components of administering a large BMR portfolio (through its various stages from the inception of the BMR commitment during the RDCS process, to the sale of the new construction BMR unit, to a resale over time, and ongoing monitoring, compliance and asset management).

Morgan Hill's primary housing mission is to continue the City's legacy to improve, preserve, and create safe, quality housing for residents at all income levels, both rental and ownership opportunities. As a result of the elimination of redevelopment agencies statewide, in 2012 the Housing Program accepted secondary responsibility is to serve as the successor to the former Morgan Hill Redevelopment Agency's housing functions and administer its legacy housing assets. With the elimination of the agency, the City restructured its housing programs to reflect the services that can be provided based on the limited staff resources and funding. In FY 12-13 the City began to operate only a limited housing program. The housing functions provide coordination of new unit private development production, implementation of the Housing Element, achievement of the Regional Housing Needs Allocation efforts (RHNA), and provision of various local housing related services and programs. To deliver the housing ownership program, the City contracted with Neighborhood Housing Services of Silicon Valley (NHSSV). This partnership continued until 2015. In August 2015, the City collaborated with Nyanda & Associates, dba "HouseKeys", after the sudden demise of Neighborhood Housing Services, for the administration of its Below Market Rate (BMR)Program. This enabled the City to continue to contract with an outside agency to administer the Program on site to serve as a test to identify best practices for future operations. Housing efforts focused on the immediate need to transition the BMR Program, and strived to carry out transactions to avoid a service interruption to developers, homeowners and new buyers in the pipeline. This was achieved by rapidly on-boarding the "HouseKeys" BMR team, and working to create a new sustainable BMR business model for the administration of the program.

The housing team continues to provide ongoing coordination of the EAH multi-site, new construction development and is in conversations with non-profit builder, UHC, for the development of an additional 39 units. In FY 15-16 the team was expanded to two, when the City added one Municipal Services Assistant (MSA) to aid the Housing Manager. The various components of the Housing Program and the shear demand for housing assistance, number of loans, requests to restructure and or subordinate existing loans, size of the existing BMR portfolio, as well as the ongoing

Housing Programs (continued)

new construction of BMRs requires significant oversight to ensure a timely response to Developer's, the administrator (HouseKeys), homeowners, and regional partners. Combined with the contract Administrator, the housing team manages an extremely active program and group of activities.

In May 2016, the City Council will receive the annual Housing update. At that time, the findings of the first nine months of the BMR operation, post NHSSV, will be presented. Specifically, the financial costs of program administration, defense of the covenants and BMR servicing. The primary discussion will highlight that the team continues to explore effective/sustainable ways to support administration of the program's 500+ BMR assets. This will be the greatest challenge to the program in FY 16-17. In addition, the City Council will be presented with housing issues and opportunities, City and regional housing priorities, and the 2016 evaluation of the BMR in lieu fee by Keyser Marston & Associates.

To implement its housing mission the Community Development Agency administers the following housing related funds:

Fund 234 – 8250 Mobile Home Rent Commission

Funds are collected from an annual fee charged to mobile home park owners with month-to-month rental spaces affected by the City's Mobile Home Rent Ordinance (Municipal Code Chapter 5.36). The City Council convenes an ad hoc committee of the Planning Commission whenever a petition is received for a rent increase. Approximately $30,500 remains in the fund.

Fund 235-Senior Housing Trust

This fund was established by a one-time developer in-lieu contribution and is intended to be used for senior housing-related support services. Approximately $217,000 remains in the fund. Staff is recommending that these funds continue to be used for the existing Senior Home Repair Grant Program that is recommended to transfer from the Housing Trust of Silicon Valley to "Rebuilding Together". The Housing Trust of Silicon Valley is no longer able to administer the Program as they have chosen to focus on the mission of multifamily affordable housing development. Rebuilding Together (nonprofit) has been providing the South County with home repair service for twenty four years and can provide the same service; a "life line" Home Repair Rehab Program for fixed income seniors. The program can also be expanded to create a focused "blight busters" program designed to assist with necessary neighborhood clean-up projects and provide assistance to select residential code enforcement opportunities, on a limited "as- needed" basis. Given the limited resources, the Blight Busters program would be targeted to projects that pose major health and safety concerns, referred to Rebuilding Together by City Housing Staff, in collaboration with Building and Code Enforcement.

Fund 236- RDCS Housing Mitigation (In Lieu Fee)

Prior to issuance of occupancy permits, housing in-lieu funds are collected from market rate housing developers who make development agreement commitments to pay an in-lieu housing fee for an incremental residual unit resulting from the RDCS affordable housing commitment. This fund has fluctuated over time and is the only remaining major source of reliable funding for the City's legacy Housing Program. In the past these fees were suspended for qualified housing allocations via the BMR waiver and reduction program, intended to help stimulate housing construction during the economic crisis.

Housing Programs (continued)

Full fee collection began again in July, 2014; however, it has been a decade since the current $150,000 in lieu fee has been evaluated. In FY 2016, an analysis by Keyser Marston Associates was commissioned to assist the City with a discussion of the impact of the City's Residential Development Control System (RDCS) BMR Requirements on Development Economics, and proportionate BMR in lieu fees. Morgan Hill has made a significant commitment to affordable housing for thirty plus years, and has accrued a large BMR portfolio with significant value. The two most critical issues facing the City's program for the next two to three years is creating a sustainable business model that prioritizes preservation and integrity of the BMR housing stock and leveraging funds and resources to produce deeply affordable rental units. The Year-end fund balance projection for Fund 236 is approximately $2.5 million.

Fund 255- Housing Fund (formerly known as the Successor Agency Housing Fund)
The legacy housing obligations of the Morgan Hill Redevelopment Agency have associated implementation and delivery costs that are not eligible for reimbursement from RDA Housing dissolution revenues, but can be recovered from residual receipts and loan repayment from previously constructed projects and loans. Begining in FY 15-16, former RDA Housing funds used in prior years to make Educational Revenue Augmentation Funds (ERAF) and Supplemental Educational Revenue Augmentation Funds (SERAF) payments to the State of California, have commenced repayment by the State to the City's Housing Fund. These dollars can be used to develop new affordable housing units and preserve housing assets. The calculated repayment amount for the Morgan Hill Successor Agency is $1,177,918 for FY 2015-16, and $703,250 for FY 2016-17, and $ 1,200,000 which are part of the $6,000,000 SERAF/ERAF repayments to be paid to the City over a five year period of time.

FY 15-16 Accomplishments

Housing Program

- Managed the sudden closure of the then BMR administrator NHSSV, and quickly on-boarded new administrator, HouseKeys, to limit BMR service interruption to developers and buyers
- Completed and received certification of updated Housing Element (December 2015)
- Monitored RHNA progress for the housing element and assisted with the preparation of the Housing Element update
- Adopted the regional County of Santa Clara Community Plan to End Homelessness, June 17, 2015
- Adopted the recommended transition plan to end the contract with NHSSV and embark on a new partnership with HouseKeys for the BMR administration, July 15, 2015
- Completed the closure of South County Housing and transfer of Housing assets and functions to EDEN Housing for Morgan Hill projects, completed South County Housing Settlement, September 2, 2015
- Facilitated the Tax and Equity Fiscal Responsibility Act ("TEFRA") bond hearing for EAH, and assignment of City loans for Village Avante Affordable Apartments, $28,000,000 major Housing Rehab Project
- Adopted the County of Santa Clara Housing Task Force Affordable Housing Resolution, February 3, 2016
- Submitted the Affordable Housing Sustainable Communities Grant, a $9,489,122 request for affordable housing and transportation improvements in partnership with EAH, March 2016
- Continued negotiations with EAH development for the family and Transitional Age Youth affordable housing scattered site development, scheduled to begin new construction in FY 16-17
- Facilitated Urban County CDBG grant award for Galvan Park rehabilitation project, $71,337
- Received 1.4 Million, Housing Community Development Housing and Parks Grant, and applied for 1.3 Million

Housing Programs (continued)

Housing and Parks Grant

- Provided support for the implementation of the new Housing Rehab Program administered by the Housing Trust of Silicon Valley (15 senior mobile home repair grants awarded)
- Reviewed and scored 14 Residential Development Control System competition applications
- Participated in a variety of local working groups including the County's Countywide CDBG and Regional Housing workgroup, and the Housing Action Coalition
- Reviewed the appropriateness of the decade old housing in-lieu fee $150,000.
- Assisted with the coordination of the following BMR activity

Below Market Rate Program

Upon the sudden dissolution of the City's previous BMR Administrator Neighborhood Housing Services of Silicon Valley (NHSSV) the Council adopted a Transition Plan on July 15, 2015 to contract with Nyanda & Associates (HouseKeys) to provide the continued administration of the BMR Program for $272,000. The first nine months focused on two major efforts, 1.) How to deal with the immediate crisis of transitioning the Program in the wake of NHSSV's demise and avoiding a service interruption to the existing pipeline; this was accomplished. 2) Assessing the true cost of sustaining a BMR Program Administration Operation. It is apparent that the $75,000 contract to NHSSV was not sufficient for the magnitude of the City's portfolio, and the contract with HouseKeys will require an in increase to $500,000 to provide full services. Below are the highlights of the successful transition of the program:

- Re-qualified existing Buyers who were no longer able to benefit from NHSSV's first mortgage, including updating financial information
- Rebuilt New Buyer Pipeline (239 applications) to assist developers with closing on time
- Re-Drafted/Re-Recorded the NHSSV Affordable Housing Agreements that were no longer valid
- Held 3 Lotteries for potential new homeowners
- Created New Morgan Hill BMR Website - www.HouseKeys.org to disseminate information
- Assisted 5 Development Projects that needed on-boarding to City process and sale of units (Stonebridge, Madrone Plaza, Loden Place, Paseo Seville, Tilton Park)
- Recorded Nine (9) BMR Properties with Notice of Defaults (NOD)
- Held 10 BMR Educational Orientations at City Hall with 399 Registrants
- Assisted with 17 BMR Home Sale transactions
- Escrow/Closings: 19 (closed two on behalf of previous Administrator)
- Set Up Program hosted onsite Morgan Hill with 3 new Full Time Staff located next to Housing
- Updated BMR Rental Guidelines to assist with the Diamond Creek Project
- Monitored for Compliance; work alongside Staff to Cure Defaults and foreclosures
- Set Up New Lenders to facilitate Purchase Transactions and familiarize them with the Program's restrictions
- Responded to the County Tax Assessors request for a detailed description of each BMR Home in the City to ensure accurate property tax assessments
- Rehabbed and sold 2 defaulted units
- Established process to review inventory nightly, against County records, to sort for defaults, foreclosure notices, liens, etc.

Housing Programs (continued)

Activity Goals

FY 16-17

- Respond to Tax Assessor for updated 2016 value of all 500 units with the current formula and value of each
- Refine consultant services agreement for BMR Program Administration
- Implement Cash for Keys, reducing legal fees, and asset recovery, time and cost
- Create a sustainable BMR Program Model, strengthen the BMR Program enforcement, improving upon past success, building valuable regional partnerships and consider ways to attract funding from non-traditional sources, develop legislation working group with NHSSV and Fannie Mae on City's rights for non-judicial BMR foreclosures
- Monitor housing production and assist with Housing Element Annual Report
- Continue efforts to preserve and create affordable housing opportunities
- Coordinate the City's annual CDBG CIP grant application to the Urban County, HOME funds, and the award of public service grants in partnership with the County
- Facilitate the financing or pre-development activity for one new affordable housing project during the current housing element period
- Assist with annual review of housing related fees
- Assist with the review of the annual RDCS applications
- Explore partnership with The Housing Trust for additional programs or leverage funds for new construction
- Purchase new software to help Finance manage and track loans and BMR units
- Monitor BMR homes and rental units for compliance
- On-board new service provider (Rebuilding Together) for the City's existing BMR Senior/Mobile Home Rehab Grants Program
- Strategize additional ways to assist the region with the affordable housing crisis and response
- Explore options to create or augment Housing Programs, raise revenues for local equity match for new deeply affordable special needs housing units construction
- Explore options to participate in regional efforts to end homelessness
- Review the level of services provided at existing Affordable Housing developments in relation to the needs of the residents
- Restructure loans as needed to facilitate the rehab of multifamily affordable housing projects

FY 17-18

- Negotiate with developers for the potential use of City housing funds to create new affordable housing development and rehab existing units
- Continue to look for ways to partner with housing agencies to address regional homeless issues and the affordability crisis
- Implement BMR policies and procedures with BMR Administrator, HouseKeys (Continue to implement best practices for the Model City Project, outreach and education, compliance, monitoring, asset management, defending BMR covenants, proactively prevent foreclosures to protect BMR covenants and City's financial investment)
- Continue City interdepartmental team support for various activities

Housing Programs (continued)

- Complete financial review of all residual receipt generating developments
- Continue sourcing other financial leveraging opportunities

Council Goals

Enhancing our Services

- Continue to seek funding and apply for the Cap and Trade Affordable Housing Sustainable Communities grant opportunities, a green house gas reduction program for transportation and housing funding
- Identify opportunities to create a new sustainable BMR business model that will sustain the BMR Program for the next 30 years.

Supporting youth

- Incorporate special needs units such as, Transitional Age Youth (TAY) units within affordable housing developments with supportive services

Developing Our Community

- Improve, preserve, and create safe quality housing in Morgan Hill for residents at all income levels, in the form of both rental and ownership opportunities

Improving Our Communication

- Continue to improve and provide outreach and education activities to increase awareness of the BMR program opportunities for potential applicants, and maintain communication with existing BMR homeowners to continuously provide program guidelines and requirements

Participating In Regional Initiatives

- Participate in the County of Santa Clara's regional affordable housing efforts to further implement the affordable housing goals of the 2016 County Housing Task Force Resolution, to work towards the goal of creating and preserving affordable housing units with deeper affordability and for special needs populations

Financial Comments

The revenue needed to fund the City's housing programs is now directly aligned with the health of two funds: The Housing In-lieu Fee Fund (Fund 236) and the Successor Agency Housing Fund (Fund 255). The Successor Agency Housing Fund will receive program income from the Agency's legacy projects and assets, as well as one-time ERAF and SERAF repayments, the calculated repayment amount for the Morgan Hill Successor Agency is$6,000,000, of which $1,177,918 was received in FY 2015-16, and anticipates $703,250 in FY 2016-17, the remaining balance will be paid to the City over a five year period of time. In addition, if the robust housing market continues to generate substantial housing in lieu fees, the City may be able to fund one to two new affordable housing developments over the next 5-7 years.

Housing will continue to pursue additional funding opportunities to continue the City's affordable housing legacy. For FY 16-17, $3 million in housing program expenditures are proposed for Fund 236 and $2.8 million in Fund 255. For FY 17-18, $1.3 million in housing program expenditures are proposed for Fund 236 and $2 million in Fund 255. Expenditures in

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Housing Programs (continued)

Fund 255 include the balance of $2.4 million loan to EAH for the scattered site project, as well as a $500,000 BMR Program Administration contract. In total, $5.8 million is recommended towards Housing Programs.

In spite of RDCS allocations and projects with BMR waivers pending, it is anticipated that $500,000 in housing in-lieu fee revenue for eligible BMR units will be received based on the $150,000 current fee. It has been a decade since the current $150,000 in lieu fee has been evaluated; in FY 16-17, an analysis will be brought forward to discuss the appropriateness of the BMR in lieu fee.

Housing Programs (continued)

Mobile Home Rent Commission [234-8250]

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
42236	BANK CARD SERVICE FEES	-	26	26	26	26
	Supplies Total	**-**	**26**	**26**	**26**	**26**
45010	GF ADMIN	738	775	775	814	854
	Internal Services Total	**738**	**775**	**775**	**814**	**854**
8250 - Mobile Home Park Rent Total		**738**	**801**	**801**	**840**	**880**

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Housing Programs (continued)

Housing Mitigation [236-7100]

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	190,147	225,267	209,733	252,729	284,297
41320	EARNED LEAVE LIABILITY	3,446	3,417	3,417	6,455	6,713
41490	OVERTIME - GENERAL	2,877	-	5,873	4,000	4,080
41620	RETIREMENT - GENERAL	33,293	40,197	37,507	45,991	53,162
41690	DEFERRED COMPENSATION	3,959	3,838	5,217	5,403	6,477
41700	GROUP INSURANCE	24,042	33,804	31,143	36,670	40,816
41701	MEDICARE	2,088	3,296	2,541	3,095	3,531
41701	MEDICARE PTT AND OT	-	-	85	58	59
41730	INCOME PROTECTION INS	1,876	1,920	1,937	2,366	2,518
41760	WORKERS COMP	4,784	11,263	5,349	6,340	7,130
41760	WORKERS COMP PTT AND OT	-	-	147	100	102
41799	BENEFITS	2,321	2,025	1,942	2,586	3,056
	Salaries Total	**268,834**	**325,027**	**304,892**	**365,793**	**411,942**
42214	TELEPHONE	1,431	2,228	3,000	1,500	1,530
42230	SPECIAL COUNSEL	48,955	476,045	301,045	150,000	153,000
42231	CONTRACT SERVICES	245,382	232,288	108,860	120,000	122,400
42236	BANK CARD SERVICE FEES	-	7,993	7,993	7,993	7,993
42244	STATIONERY & OFFICE SUPPLIES	417	372	3,300	3,500	3,570
42248	OTHER SUPPLIES	44	-	10,000	-	-
42250	ADVERTISING	579	-	-	-	-
42254	POSTAGE & FREIGHT	16	-	300	300	306
42257	PRINTING	70	-	-	-	-
42261	AUTO MILEAGE	466	1,061	300	250	255
42299	OTHER EXPENSE	-	212	-	-	-
42415	CONFERENCE & MEETINGS	1,188	2,122	1,300	3,000	3,060
42423	MEMBERSHIP & DUES	450	1,061	500	500	510
42435	SUBSCRIPTION & PUBLICATIONS	10	106	-	-	-
	Supplies Total	**299,010**	**723,487**	**436,598**	**287,043**	**292,624**
43835	FURNITURE/OFFICE EQUIPMENT	-	2,500	-	-	-
	Capital Total	**-**	**2,500**	**-**	**-**	**-**
45003	GENERAL LIABILITY INSURANCE	3,696	4,978	4,978	6,457	7,103
45004	BUILDING MAINT - CURRENT SERVICES	3,400	3,304	3,304	14,592	14,040
45005	BUILDING MAINT - FUTURE REPLACEMENT	532	548	548	564	581
45009	INFO SYSTEM SERVICES	2,269	2,656	2,656	-	-
45010	GF ADMIN	49,014	51,464	51,464	54,037	56,739
	Internal Services Total	**58,911**	**62,950**	**62,950**	**75,651**	**78,463**
86100	ACQUISITION EXPENSE	528,115	-	-	-	-
86420	PROGRAM LOANS	343,497	-	604,116	-	-
86440	GRANT AMOUNT	300,000	-	-	-	-
86441	HOUSING PROGRAMS	1,692,611	2,500,000	475,000	2,338,008	500,000
	Project Total	**2,864,223**	**2,500,000**	**1,079,116**	**2,338,008**	**500,000**
49214	TRANSFER OUT-207 (GENL PLAN UPDATE)	150,000	150,000	150,000	7,700	7,700
49241	TRANSFER OUT-BOND/DEBT	1,829	1,829	1,829	-	-
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	5,555	5,555	6,884	3,442
	Transfer Total	**151,829**	**157,384**	**157,384**	**14,584**	**11,142**
7100 - Housing Mitigation Total		**3,642,807**	**3,771,348**	**2,040,940**	**3,081,079**	**1,294,171**

Housing Programs (continued)

Successor Housing Agency [255-7220]

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	128,585	168,951	172,902	191,433	221,958
41320	EARNED LEAVE LIABILITY	3,582	3,933	3,933	6,619	6,883
41490	OVERTIME - GENERAL	214	-	98	-	-
41620	RETIREMENT - GENERAL	22,497	30,148	30,759	34,097	40,724
41690	DEFERRED COMPENSATION	4,679	4,421	6,265	6,827	7,881
41700	GROUP INSURANCE	16,577	23,924	21,506	23,144	26,664
41701	MEDICARE	1,716	2,475	2,238	2,437	2,858
41730	INCOME PROTECTION INS	1,136	1,370	1,460	1,571	1,722
41760	WORKERS COMP	3,194	8,448	4,271	4,701	5,462
41799	BENEFITS	2,128	1,773	2,277	2,268	2,738
	Salaries Total	**184,308**	**245,443**	**245,708**	**273,097**	**316,890**
42205	TAXES	-	-	8,994	-	-
42210	WATER/SEWER	-	424	-	-	-
42214	TELEPHONE	309	1,061	845	900	918
42231	CONTRACT SERVICES	383	250,796	248,950	500,000	500,000
42244	STATIONERY & OFFICE SUPPLIES	-	159	-	-	-
42248	OTHER SUPPLIES	-	-	3,500	-	-
42252	PHOTOCOPYING	103	-	1,500	4,000	4,080
42254	POSTAGE & FREIGHT	4	106	106	125	128
42257	PRINTING	-	106	-	-	-
42261	AUTO MILEAGE	30	212	-	-	-
42299	OTHER EXPENSE	-	-	115	-	-
42415	CONFERENCE & MEETINGS	-	530	90	-	-
	Supplies Total	**829**	**253,396**	**264,100**	**505,025**	**505,126**
45003	GENERAL LIABILITY INSURANCE	1,751	3,147	3,147	4,168	4,585
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	9,860	9,487
45009	INFO SYSTEM SERVICES	2,836	3,320	3,320	11,363	11,363
45010	GF ADMIN	72,358	75,976	75,976	79,775	83,763
	Internal Services Total	**76,945**	**82,443**	**82,443**	**105,166**	**109,198**
43835	FURNITURE/OFFICE EQUIPMENT	-	2,500	-	-	-
	Capital Total	**-**	**2,500**	**-**	**-**	**-**
86400	PROCESSING & SERVICING	627	1,061	750	1,200	-
86420	PROGRAM LOANS	-	-	60,000	-	-
86441	HOUSING PROGRAMS	-	-	-	1,896,168	1,000,000
	Project Total	**627**	**1,061**	**60,750**	**1,897,368**	**1,000,000**
49241	TRANSFER OUT-BOND/DEBT	31,511	31,511	31,511	-	-
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	3,840	3,840	4,651	2,326
	Transfer Total	**31,511**	**35,351**	**35,351**	**4,651**	**2,326**
7220 - Housing Total		**294,220**	**620,193**	**688,352**	**2,785,307**	**1,933,540**

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City of Morgan Hill Acting as the Successor Agency of the Morgan Hill Redevelopment Agency - [250]

DIVISION DESCRIPTION

The Morgan Hill Redevelopment Agency was dissolved by State law on February 1, 2012 after nearly 40 years of operation. In order to meet the Enforceable Obligations of the former RDA and to responsibly wind down the remaining activities, the City has elected to become the Successor Agency. Most of the actions of the Successor Agency are subject to approval by a seven person Oversight Board; which, in turn, has its actions reviewed by the California Department of Finance (DOF). Commencing July 1, 2018, all Oversight Boards for the various former redevelopment agencies in the County of Santa Clara will be consolidated into a single county-wide Oversight Board to be staffed by auditor-controller, by another county entity, or by a city selected by the county auditor-controller. The key role of the Oversight Board in FY 16-17 and FY 17-18 continues to be to approve annual Recognized Obligation Payment Schedule (ROPS) and the implementation of the Long Range Property Management Plan.

The Budget for the Successor Agency includes three program areas shown in detail on the succeeding pages:
Retired Obligations: to account for the staff and some consultant costs needed to deliver and implement the former RDA's enforceable obligations that are "non housing" related; first the Oversight Board, and then the DOF must approve these expenses in the ROPS before the County Auditor-Controller can distribute former tax increment to the City as successor agency to make the actual payments. Such costs have declined as the Enforceable Obligations are discharged over time.

Administration: to account for the costs of winding down the RDA; subject to an Administrative Cost Allowance which, in FY 16-18 Biennial Budget will be capped at $250,000 annually or 3% of the amount of property tax needed to meet the ROPS. The Administrative Budget must be reviewed and approved by the Oversight Board each annual ROPS. The amounts budgeted reflect management's estimate of the full year's costs.

Debt Service Administration: to account for the costs of paying debt service and related costs on the outstanding tax exempt and taxable bond issues, which in December 2013, refunded at a fixed interest rate. These costs will be included in each annual ROPS to be approved by the Oversight Board and for distribution by the County Auditor-Controller on January 2 of the succeeding year—all in order to fully fund the trust indenture (i.e., pay an entire calendar year's worth of debt service) at the beginning of the year.

Delivery and implementation of Enforceable Obligations:
The budget amounts for each of the three areas represent the amounts that will be recommended for approval by the Board over the next two years.

Council Goals

During FY 16-18, the Successor Agency will work to conduct activities that are aligned with the priorities, goals and strategies the City Council has set:

- Advance revitalization of our downtown by completing our significant public investment
- Implement Redevelopment Sites #1 & $ (Leal Hotel & Market Hall)
- Complete the public investment in Downtown Placemaking initiatives

City of Morgan Hill Acting as the Successor Agency of the Morgan Hill Redevelopment Agency - Debt Service [250-7205]

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
42299	OTHER EXPENSE	-	-	491	-	-
	Supplies Total	**-**	**-**	**491**	**-**	**-**
44990	PRINCIPAL	4,050,000	3,065,000	3,065,000	3,100,000	3,150,000
44991	INTEREST	3,879,633	3,852,344	3,852,344	3,811,124	3,752,496
44995	SERVICE FEES	4,761	7,400	7,400	7,622	7,851
	Debt Total	**7,934,394**	**6,924,744**	**6,924,744**	**6,918,746**	**6,910,347**
7205 - Debt Service Total		**7,934,394**	**6,924,744**	**6,925,235**	**6,918,746**	**6,910,347**

City of Morgan Hill Acting as the Successor Agency of the Morgan Hill Redevelopment Agency - Administration [250-7210]

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	231,669	184,043	173,741	156,641	94,352
41320	EARNED LEAVE LIABILITY	6,131	6,031	6,031	2,294	2,386
41490	OVERTIME - GENERAL	725	-	1,500	-	-
41620	RETIREMENT - GENERAL	40,511	31,214	30,962	28,408	17,589
41690	DEFERRED COMPENSATION	7,531	6,381	6,502	3,287	671
41700	GROUP INSURANCE	20,616	15,606	18,568	21,592	14,656
41701	MEDICARE	3,136	2,724	2,396	2,201	1,395
41701	MEDICARE PTT AND OT	-	-	22	-	-
41730	INCOME PROTECTION INS	1,987	1,134	1,419	1,512	1,002
41760	WORKERS COMP	5,763	9,202	4,327	3,916	2,359
41760	WORKERS COMP PTT AND OT	-	-	38	-	-
41799	BENEFITS	4,917	3,798	3,908	2,538	886
	Salaries Total	**322,987**	**260,133**	**249,413**	**222,389**	**135,296**
42205	TAXES	33,871	33,012	35,000	35,000	-
42214	TELEPHONE	525	1,697	700	1,000	700
42230	SPECIAL COUNSEL	59,212	32,502	50,000	30,000	30,600
42231	CONTRACT SERVICES	94,787	645,000	60,000	108,000	50,000
42244	STATIONERY & OFFICE SUPPLIES	-	265	-	7,000	4,500
42250	ADVERTISING	-	902	-	-	-
42252	PHOTOCOPYING	1,083	2,334	600	-	-
42254	POSTAGE & FREIGHT	-	186	-	-	-
42299	OTHER EXPENSE	2,733,567	-	2,502,878	-	-
	Supplies Total	**2,923,045**	**715,898**	**2,649,178**	**181,000**	**85,800**
45003	GENERAL LIABILITY INSURANCE	2,627	2,517	2,517	2,084	2,292
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	4,930	4,743
	Internal Services Total	**2,627**	**2,517**	**2,517**	**7,014**	**7,036**
49241	TRANSFER OUT-LEASE PAYMENT	36,946	36,946	36,946	27,500	14,779
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	3,072	3,072	2,326	1,163
	Transfer Total	**36,946**	**40,018**	**40,018**	**29,826**	**15,942**
7210 - Successor Agency Administration Total		**3,285,606**	**1,018,566**	**2,941,126**	**440,229**	**244,073**

City of Morgan Hill Acting as the Successor Agency of the Morgan Hill Redevelopment Agency - CIP Bonds [250-7215]

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
42231	CONTRACT SERVICES	14,349	132,765	53,962	-	-
42299	OTHER EXPENSE	-	-	1,225,889	-	-
	Supplies Total	**14,349**	**132,765**	**1,279,851**	**-**	**-**
86360	CONSTRUCTION	7,655,869	11,470,149	16,271,249	-	-
	Project Total	**7,655,869**	**11,470,149**	**16,271,249**	**-**	**-**
7215 - CIP Bond Proceeds Total		**7,670,218**	**11,602,913**	**17,551,100**	**-**	**-**

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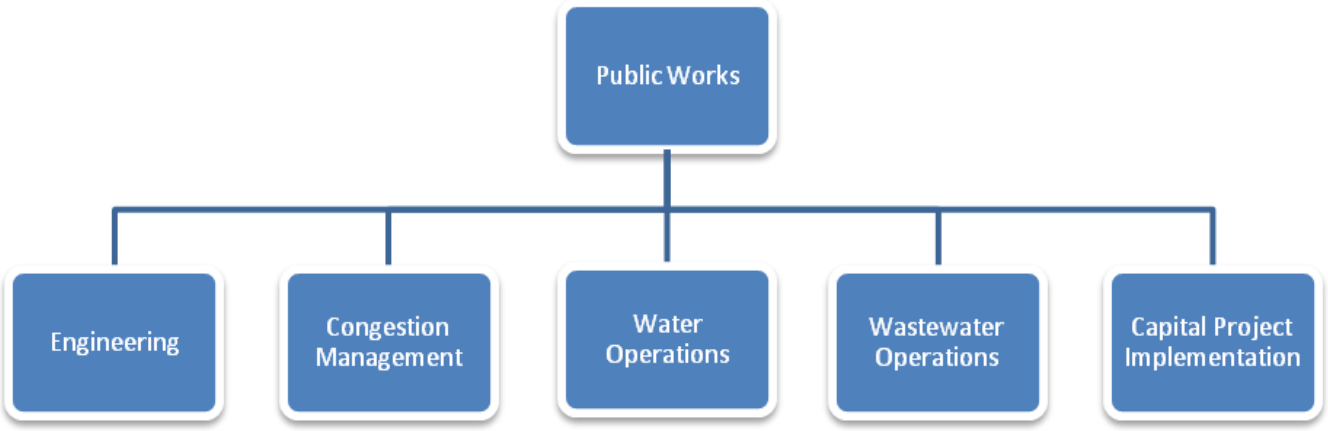
Public Works

Appropriations Summary

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Employee Services	$ 5,250,326	$ 6,080,100	$ 5,574,188	$ 6,430,188	$ 6,740,481
Supplies & Services	8,023,168	8,999,411	8,627,410	9,227,091	10,022,817
Capital Outlay	783,572	739,259	744,969	850,130	828,633
Debt Services	13,943,100	1,655,175	98	-	-
Internal Service	1,299,426	1,511,564	1,511,565	1,514,565	1,573,971
Transfers Out	2,843,902	2,990,998	6,727,802	5,524,449	5,642,012
TOTAL EXPENDITURES	**$ 32,143,494**	**$ 21,976,507**	**$ 23,186,032**	**$ 23,546,422**	**$ 24,807,914**

CONGESTION MANAGEMENT	$ 70,032	$ 75,116	$ 71,705	$ 75,219	$ 77,569
ENGINEERING	770,499	942,729	914,288	1,142,611	1,172,408
SEWER OPERATIONS	21,147,491	9,942,341	11,613,663	10,639,370	10,742,171
SEWER RATE STABLIZATION	3,369	3,643	3,537	3,714	3,900
WATER OPERATIONS	8,661,852	9,309,995	8,914,889	9,864,682	10,942,094
WATER RATE STABLIZATION	524	603	603	632	662
CAPITAL PROJECT IMPLEMENTATION	1,489,728	1,702,079	1,667,347	1,820,194	1,869,109
TOTAL EXPENDITURES BY PROGRAM	**$ 32,143,494**	**$ 21,976,507**	**$ 23,186,032**	**$ 23,546,422**	**$ 24,807,914**

FULL TIME EQUIVALENT EMPLOYEES	**43.09**	**43.09**	**43.09**	**45.10**	**45.10**


Public Works
Engineering
Congestion Management
Water Operations
Wastewater Operations
Capital Project Implementation

Congestion Management [010-6110]

DIVISION DESCRIPTION

The Congestion Management Activity (Engineering Team) is responsible for developing and implementing programs to ensure City compliance with the Santa Clara Valley Transportation Authority Congestion Management Program (CMP). This is a State-mandated program approved by the voters as Proposition 111.

FY 15-16 ACCOMPLISHMENTS

- Participated in Santa Clara Valley Transportation Authority (VTA) Congestion Management Program activities to facilitate City compliance with the CMP
- Provided staff support to the VTA Board Technical Advisory Committee and the VTA South County Board Briefing team
- Participated in Regional Transportation Planning Efforts including the Land Use and Planning Integration Working Group
- Prepared the Annual CMP Monitoring and Compliance Report

ACTIVITY GOALS

FY 16-17

- Participate in VTA activities to facilitate City compliance with the CMP
- Provide assistance as needed to Morgan Hill's representative on the VTA Policy Advisory Committee, Technical Advisory Committee and the South County Board Briefing team
- Prepare transportation impact analysis as needed and route new development applications to VTA for comment
- Continue participation in the regional transportation planning initiatives sponsored by the VTA and initiated through the implementation of the Valley Transportation Plan (VTP)

FY 17-18

- Participate in VTA activities to facilitate City compliance with the CMP
- Provide assistance as needed to Morgan Hill's representative on the VTA Policy Advisory Committee, Technical Advisory Committee and the South County Board Briefing team
- Prepare transportation impact analysis as needed and route new development applications to VTA for comment
- Continue participation in the regional transportation planning initiatives sponsored by the VTA and initiated through the implementation of the Valley Transportation Plan (VTP)

COUNCIL GOALS

Enhancing public safety

- Seek grant funding for street safety improvements
- Ensure development constructed infrastructure meets Complete Streets criteria

Protecting the environment

- Ensure compliance with Congestion Management Plan through established programs

Congestion Management (continued)

- Seek initiatives that provide for balanced transportation modes (transit, pedestrian, bicycle, auto)

Maintaining fiscal responsibility

- Seek grant funding where available

Supporting youth

- Ensure development constructed infrastructure meets Complete Streets criteria
- Seek safe routes to school grant opportunities

Fostering a positive organizational culture

- Collaborate with other Departments in regional transportation initiatives

Planning Our Community

- Think and plan regionally for transportation needs

Developing Our Community

- Ensure developers build safe and reliable infrastructure
- Seek grant funding where available

Enhancing Our Services

- Collaborate with regional transportation partners to provide infrastructure and services in the south County

Improving Our Communication

- Ensure regional initiatives are communicated to Morgan Hill residents
- Inform community of opportunities to voice an opinion on regional matters

Participating In Regional Initiatives

- Participate with VTA on land use and transportation issues

FINANCIAL COMMENTS

The FY 16-17 budget is $75,219 which is made primarily of Salaries and the approximate $30,000 annual payment due to VTA as the City's share of regional congestion management services. This increases slightly in FY 17-18 to $77,569. The City is required to provide an annual report and participate in regional transportation meetings, both of which the City complies with. This budget does not fluctuate appreciably.

Congestion Management (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	31,833	32,734	32,664	33,637	34,598
41271	SALARIES - PART-TIME TEMP	(68)	-	-	-	-
41320	EARNED LEAVE LIABILITY	2,002	2,249	2,249	1,698	1,766
41620	RETIREMENT - GENERAL	5,570	5,841	5,833	6,101	6,449
41690	DEFERRED COMPENSATION	624	655	641	660	678
41700	GROUP INSURANCE	2,756	2,830	2,844	2,986	3,116
41701	MEDICARE	432	477	442	448	462
41730	INCOME PROTECTION INS	296	231	299	298	298
41760	WORKERS COMP	792	1,637	809	841	865
41799	BENEFITS	196	195	196	195	195
	Salaries Total	**44,433**	**46,849**	**45,977**	**46,864**	**48,427**
42214	TELEPHONE	57	160	100	160	164
42423	MEMBERSHIP & DUES	25,104	27,583	25,104	25,857	26,633
	Supplies Total	**25,161**	**27,743**	**25,204**	**26,017**	**26,797**
45003	GENERAL LIABILITY INSURANCE	438	524	524	695	765
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	1,643	1,581
	Internal Services Total	**438**	**524**	**524**	**2,338**	**2,346**
6110 - Congestion Management Total		**70,032**	**75,116**	**71,705**	**75,219**	**77,569**

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Engineering [206-5410]

DIVISION DESCRIPTION

Engineering Development team undertakes activities such as mapping and subdivision services, development review/ inspection services, traffic and flood protection services. Engineering team members answer questions, provide technical guidance to those considering development, provide one-stop processing for approval of certain development activities, and support to other City departments when required. The Development Engineering team also oversees all developer initiated construction activities in to the public right-of-way.

Land Development activities include checking, approving, and keeping all improvement plans prepared by consultants for Public Record. Further activities include reviewing all private land development activities for conformance with City standards, and checking and approving all maps for compliance with the Subdivision Map Act. Engineering Development reviews building permit applications and proposals that are filed with the City's Building Division and provides support to the Environmental Programs team for the City's National Pollution Discharge Elimination System. For the 16-17 and 17-18 fiscal years, the Engineering Development team will be launching several customer service upgrades. The timing of these upgrades coincides with the implementation of the TRAKiT permit processing software throughout the Development Services Center. The customer service upgrades will focus on the following:

- A more streamlined approach to processing development applications and improvement plans
- Providing useful information to developers at the beginning phases of a project to assist them in anticipating the necessary steps and activities required to get projects approved.
- Developing ways to take in customer feedback to help further improve the process

To dramatically improve customer service, it is recommended that a new Senior Project Manager position by hired to deliver CIP projects. In turn, this will allow the Engineering Development team to focus primarily on development services and not be asked to simultaneously work on capital projects. Due to the small engineering team in Public Works and the historically large capital projects workload, the Engineering Development team has been asked to deliver capital projects. This has resulted in not having the adequate resources dedicated to either function and service has been negatively impacted. The new Senior Project Manager position would be funded from CIP projects and not from the Engineering portion of the Community Development Fund. However, Engineering and Capital Project Implementation team are recommending hiring an in-house Public Works Inspector, based on the outcome of a cost analysis conducted on inspection contract service. By hiring an in-house Inspector, the City will realize a cost savings as contract inspectors typically result in a higher cost. This new Public Works Inspector position is recommended as it will support both Engineering and CIP Project inspections.

FY 15-16 ACCOMPLISHMENTS

- Participated in Residential Development Control System (RDCS) application scoring
- Collaborated with Community Development and Economic Development teams to assist with new commercial development projects
- Processed 12 final maps
- Supported the Building Department with permit application reviews
- Provided plan check services for every development project submittal

Engineering (continued)

- Participated in TRAKiT development
- Completed the 2015 Speed Survey
- Addressed multiple local traffic complaints
- Ensured compliance with flood insurance policies required for Federal Emergency Management Agency (FEMA) Community Rating System (CRS) participation
- Provided flood plain management service for development projects
- Kept City in compliance with State Storm Water Permit
- Participated in design and construction of various capital projects, including pavement rehabilitation, water feature equipment building, and medians in Monterey Road
- Provided inspection services for development projects

ACTIVITY GOALS

FY 16-17

- Develop and implement customer service improvement program
- Complete map and plan checking services within established time frames
- Follow all policies to ensure compliance with FEMA CRS system
- Provide flood plain management services where needed
- Provide traffic engineering services to City teams and to the public when needed

FY 17-18

- Develop and implement customer service improvement program
- Complete map and plan checking services within established time frames
- Follow all policies to ensure compliance with FEMA CRS system
- Provide flood plain management services where needed
- Provide traffic engineering services to City teams and to the public when needed

COUNCIL GOALS

Enhancing public safety

- Traffic safety reviews when called for
- Ensure development constructed infrastructure meets Complete Streets criteria
- Ensure street and sidewalks are properly included in development projects

Protecting the environment

- Ensure developer installed water and wastewater improvements meet City standards
- Developer projects shall meet Complete Streets design

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Engineering (continued)

Maintaining fiscal responsibility

- Provide developers with design guidelines and requirements ahead of time to help ensure tasks are completed as efficiently as possible
- Use consultant services only as needed

Supporting youth

- Ensure development constructed infrastructure meets Complete Streets criteria
- Review developer street design to ensure proper safety geometry and signage

Fostering a positive organizational culture

- Collaborate with other Departments in development review
- Support Planning and Building teammates

Preserving and cultivating public trust

- Ensure construction activity is implemented with minimal impacts to community
- Thorough plan review to ensure the City accepts quality infrastructure
- Follow through with customer service initiatives

Planning Our Community

- Follow infrastructure master plans
- Thorough evaluations of RDCS applications to ensure community's interests are taken care of
- Thorough plan reviews

Developing Our Community

- Ensure developers build safe and reliable infrastructure
- Coordinate developer infrastructure design with capital projects
- Build infrastructure to meet growth needs

Enhancing Our Services

- Build safe and reliable water and wastewater improvements
- Seek ways to provide sustainable streets
- Collaborate regionally to provide smart infrastructure

Improving Our Communication

- Ensure developers and their engineers and contractors are communicating with affected neighbors
- Collaborate with other Departments on development infrastructure build-out

Engineering (continued)

Participating In Regional Initiatives

- Participate with VTA on land use issues

FINANCIAL COMMENTS

The services provided by the Engineering team are paid for by development related fees. Revenues from development activity peaked in the 15-16 FY to coincide with the backlog of residential units coming out of the great recession. For FY's 16-17 and 17-18 revenues will drop slightly each year before an anticipated steady revenue stream in the out years. The expenditures, however, will increase slightly in the next two fiscal years. The FY 16-17 recommended expenditures budget increases by $228,323 from FY15-16, mainly due to restructuring of responsibilities and addition of .45 FTE. The FY16-18 recommended budget also includes a new GIS Manager position, which will be funded 41% by Community Development Fund (15% Planning, 11% Building, 15% Engineering), and remainder by the General, Park Maintenance, Water and Wastewater Funds

The use of contract services has historically been included in the budget to augment staff's efforts to ensure developer projects are reviewed in a timely manner. To improve customer service in the coming fiscal years the Department will undergo an internal re-structuring to provide more attention to the processing of development applications and plan checks. No new engineering staff are included in the proposed budget. However, the Department is adding a new Public Works Inspector position which will split time between Land Development Engineering and Capital Projects Implementation. For Land Development Engineering 206-5410 a new 0.3 FTE of Public Works Inspector will be included. The additional Salaries line item cost for the 0.3 FTE Public Works Inspector will be more than made up for the reduction in contract services for inspection services. Contract services will be shown in the budget for map checking, Land Surveyor approval of maps, occasional improvement plan checking, storm water management, and for special construction inspection. These services will only be deployed when required.

Engineering (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	310,065	327,483	307,582	548,622	574,201
41271	SALARIES - PART-TIME TEMP	560	-	1,500	-	-
41320	EARNED LEAVE LIABILITY	13,785	14,703	14,703	13,306	13,838
41490	OVERTIME - GENERAL	1,187	-	300	-	-
41620	RETIREMENT - GENERAL	54,300	58,753	54,857	99,529	107,074
41690	DEFERRED COMPENSATION	6,298	7,075	6,024	11,093	11,515
41700	GROUP INSURANCE	43,470	43,775	46,820	77,583	81,295
41701	MEDICARE	4,168	4,773	3,984	7,462	7,854
41701	MEDICARE PTT AND OT	-	-	26	-	-
41730	INCOME PROTECTION INS	2,749	2,379	2,698	4,896	4,896
41760	WORKERS COMP	7,735	16,374	7,641	13,716	14,354
41760	WORKERS COMP PTT AND OT	-	-	45	-	-
41799	BENEFITS	1,728	1,723	1,685	2,313	2,313
41800	UNIFORM	341	318	507	517	527
	Salaries Total	**446,386**	**477,356**	**448,373**	**779,037**	**817,867**
42214	TELEPHONE	3,483	3,395	2,700	3,497	3,602
42228	GASOLINE & OIL	864	2,122	950	2,185	2,185
42230	SPECIAL COUNSEL	-	-	1,193	-	-
42231	CONTRACT SERVICES	148,632	265,375	265,375	126,000	126,000
42236	BANK CARD SERVICE FEES	1,978	2,123	2,600	2,600	2,600
42244	STATIONERY & OFFICE SUPPLIES	3,092	1,167	1,100	1,202	1,238
42245	COMPUTER HARDWARE-NON CAPITAL	1,006	9,193	8,100	2,219	1,513
42246	COMPUTER SOFTWARE-NON CAPITAL	53	266	300	274	282
42248	OTHER SUPPLIES	1,500	1,379	2,600	1,421	1,463
42250	ADVERTISING	456	212	-	-	-
42252	PHOTOCOPYING	431	743	400	765	788
42254	POSTAGE & FREIGHT	356	266	2,100	274	282
42257	PRINTING	-	424	650	437	450
42261	AUTO MILEAGE	43	212	120	219	225
42281	SMALL TOOLS	36	1,000	-	-	-
42299	OTHER EXPENSE	1,413	530	350	2,421	563
42408	TRAINING & EDUCATION	824	1,273	1,100	1,311	1,351
42415	CONFERENCE & MEETINGS	55	849	800	874	900
42423	MEMBERSHIP & DUES	581	318	750	550	550
42435	SUBSCRIPTION & PUBLICATIONS	541	424	529	437	450
42526	MAINT - AUTO/TRUCKS	406	637	550	656	675
42531	MAINT - FURNITURE/OFFICE EQUIP	-	-	183	-	-
	Supplies Total	**165,751**	**291,908**	**292,450**	**147,342**	**145,117**
43830	AUTO/TRUCKS	-	-	-	7,500	-
43840	COMPUTER EQUIPMENT	-	9,000	9,000	-	-
	Capital Total	**-**	**9,000**	**9,000**	**7,500**	**-**
45003	GENERAL LIABILITY INSURANCE	28,674	22,923	22,923	12,678	13,946
45004	BUILDING MAINT - CURRENT SERVICES	18,700	18,171	18,172	16,433	15,811
45005	BUILDING MAINT - FUTURE REPLACEMENT	2,927	3,015	3,015	3,105	3,199
45009	INFO SYSTEM SERVICES	12,161	14,235	14,235	56,362	56,362
45010	GF ADMIN	57,670	60,554	60,554	63,581	66,760
	Internal Services Total	**120,132**	**118,898**	**118,899**	**152,160**	**156,077**
49212	TRANSFER OUT-232 (ENVIRONMENTAL PROGRAMS)	25,727	28,466	28,466	39,344	40,975
49241	TRANSFER OUT-BOND/DEBT	12,502	10,061	10,061	5,756	6,635
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	7,039	7,039	11,473	5,736
	Transfer Total	**38,229**	**45,566**	**45,566**	**56,573**	**53,346**
5410 - Engineering Total		**770,499**	**942,729**	**914,288**	**1,142,611**	**1,172,408**

Wastewater Operations [640-5900]

DIVISION DESCRIPTION

The Wastewater Operations Division protects public health and safety by ensuring that wastewater is properly collected and transported to the South County Regional Wastewater Authority (SCRWA) treatment facility in Gilroy which is owned under a Joint Powers Agreement (JPA) with the cities of Morgan Hill and Gilroy. The treatment plant is undergoing a considerable rehabilitation program requiring additional resources from Morgan Hill and Gilroy. The City of Morgan Hill owns, and therefore funds, 42 percent of the capital renovation and expansion costs at the treatment facility, as well as a portion of the facility's annual operations and maintenance costs. The annual operations and maintenance costs are based on the actual prior year annual flow as recorded by the Harding flow meter and averaged with the two previous years. For FY 16-17, operational costs are allocated between the cities of Gilroy and Morgan Hill at 57 percent and 43 percent, respectively. The allocations for FY 17-18 will be determined in the second year of the two-year budget.

The Wastewater Operations Division receives the majority of its revenue through service fees based on the number of water units consumed as measured at the water meter. Wastewater fees collected from a non-residential customer are assessed by measuring units of water through the non-irrigation water meter to the property. Residential customer wastewater fees are determined by measuring water usage during the winter months and applying the average units of water used to the remaining months. The State-ordered mandate to reduce water consumption will continue to affect wastewater operation revenues from non-residential and residential system users to some extent. A rate study was completed in FY 2015-16 in conjunction with the water enterprise rate study which analyzed the impact the drought conditions had on wastewater operating revenues.

The City's wastewater team focuses its efforts on upkeep and maintenance of 170.5 miles of sewer pipelines and 14 lift stations. These are the principal elements that make up the publicly owned and operated wastewater collection system. Residential and commercial entities served by the City's wastewater division are connected to the wastewater collection system through private sewer laterals. A private sewer lateral extends from the building being served to the City's sewer main. Private sewer laterals are not part of the public system, and therefore city resources are not used to maintain them. The wastewater operational staff maintains the wastewater collection system through routine line flushing, inspection, lift station maintenance, and repairs of the infrastructure. Through these tasks, the City of Morgan Hill has consistently maintained a low number of Sanitary Sewer Overflows (SSO), which is a quantifiable, measureable objective.

FY 15-16 ACCOMPLISHMENTS

- Completed a comprehensive rate study for the wastewater enterprise in order to balance the long-term environmental and financial sustainability
- Secured bond funding for capital projects within the City and in response to SCRWA project funding needs
- Flushing: Increased time spent flushing mains with video review workflow in place, which provided flushing crews with an understanding of their cleaning effectiveness
- Inspection: Use advanced camera and mobile video center combined with improved flushing techniques to identify defects in the larger sewer mains
- Repairs: Increased point repairs and pipeline improvements by using trenchless methods for pipe patching The trenchless method for making repairs is less costly and enable crews to perform a greater number of repairs

Wastewater Operations (continued)

- H-Lift Station Rebuilt: This is an older lift station that has reached the end of its life cycle. The lift station rebuild is part of the overall ongoing maintenance and replacement program for all the City's lift stations
- Completed renovation designs for D, F, K, and W lift stations

ACTIVITY GOALS

FY 16-17

- Begin construction of renovations for D, F, K, and W lift stations
- Continue construction of the Morgan Hill/Gilroy trunk line construction
- Implement the SEDARU asset management platform to store and retrieve the wastewater system infrastructure data and historic record including flushing program data, maintenance forms, and repair logs
- Complete Wastewater Master Plan
- Update Sanitary Sewer Overflow Management Plan to comply with wastewater discharge permit requirements
- Begin infiltration and inflow (I&I) management plan to comply with wastewater discharge permit requirements

FY 17-18

- Complete construction of lift station renovations
- Implement work order management system needed to track work performed by the utility team
- Replace Pump Station F force main. This will be a difficult project due to narrow private property easements and proximity of private homes
- Begin construction of new wastewater trunk line to SCRWA plant

COUNCIL GOALS

The Public Works Department will implement policies and activities that are aligned with the priorities, goals and strategies the Council has set for 2017 and 2018.

Enhancing Public Safety

- Maintain reliable and dependable wastewater system
- Prevent sewage overflows and spills by addressing aging infrastructure

Maintain Fiscal Responsibility

- Balance environmental and financial sustainability while meeting State conservation mandate
- Meet the sewer revenue bond covenants and the wastewater enterprise funds (operations, rate stabilization, and capital improvement funds) reserve policy

Planning Our Community

- Updating the Utilities Master Plans (Water, Sewer, Stormwater)

Developing Our Community

- Constructing a multitude of wastewater capital improvement projects

Wastewater Operations (continued)

FINANCIAL COMMENTS

In FY 15-16, the City Council went through an extensive utility rate study to ensure both public safety and public health for the Morgan Hill community are maintained. As a result of the rate study, the Council approved a five year annual rates increase plan to ensure that the integrity and reliability of the essential community assets can be maintained, aging and inefficient infrastructure replaced, provide proper reserve levels in accordance with Council policy and legally required debt coverage, and that sufficient annual operating revenue would be generated to pay all annual operating expenses. The new rates became effective January 1, 2017 with ratepayers seeing an increase of 2.0 percent in fixed meter and consumption charges, and further rate adjustments of 2.0 percent on January 1 of each subsequent years through 2020. The Council did not implement the previously approved 3.5% rate increase on January 1, 2016.
The two-year recommended budget in Wastewater Operations incorporates a reduction in water consumption from the 2013 base year level by 30% in FY 16-17 and 20% in FY 17-18. This reduction level is projected to have a nominal effect on sewer service fees revenue. The recommended revenue for sewer service fees are $10.2 million in FY 16-17 and $10.6 million in FY 17-18.

With the approved rate increases, the Water Operations would transfer $250,000 per year to the Wastewater Rate Stabilization Fund. Debt service payments for the 2015 Sewer Revenue Bond are $1,936,300 in FY 16-17 and $1,845,120 in FY 17-18 (budgeted in the Transfer Out-643 line item). The Sewer Charges Maintenance/ Operations (SCRWA) budgets are consistent with previous forecast assumptions at $4.2 million in FY 16-17 and $4.4 million in FY 16-17. SCRWA has adopted policies that increased the amount that the City contributes to the reserve fund and it is expected that the reserve fund contributions will continue to increase over the next 15 years in order for the plant to maintain adequate operations and major maintenance reserves funds.
The FY16-18 recommended budget also includes a new GIS Manager position, which will be funded 13% by Wastewater, and remainder by the General, Community Development, Park Maintenance, Water Funds.

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Wastewater Operations (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	1,053,806	1,226,890	953,768	1,215,333	1,271,568
41320	EARNED LEAVE LIABILITY	12,740	12,740	12,740	24,389	25,365
41490	OVERTIME - GENERAL	28,222	25,750	23,200	26,523	27,318
41620	RETIREMENT - GENERAL	136,803	218,926	170,696	221,333	237,992
41690	DEFERRED COMPENSATION	17,306	24,538	20,003	20,658	21,573
41700	GROUP INSURANCE	227,902	235,691	170,050	218,752	229,521
41701	MEDICARE	14,003	18,204	11,740	14,949	15,816
41701	MEDICARE PTT AND OT	-	-	336	385	396
41730	INCOME PROTECTION INS	11,031	11,970	9,925	13,254	13,254
41760	WORKERS COMP	26,718	61,983	23,991	30,384	31,790
41760	WORKERS COMP PTT AND OT	-	-	580	663	683
41799	BENEFITS	2,662	2,783	2,895	2,867	2,867
41800	UNIFORM	9,567	7,426	11,500	11,730	11,965
	Salaries Total	**1,540,760**	**1,846,901**	**1,411,424**	**1,801,220**	**1,890,108**
42208	ELECTRIC	23,421	25,585	23,400	26,353	27,143
42210	WATER/SEWER	1,812	1,977	1,800	2,016	2,057
42214	TELEPHONE	11,533	9,364	10,100	9,551	9,742
42228	GASOLINE & OIL	17,922	22,889	13,500	23,347	23,814
42231	CONTRACT SERVICES	189,563	435,837	305,000	278,485	286,840
42236	BANK CARD SERVICE FEES	532	31	550	550	550
42240	RENTALS - OUTSIDE	-	2,601	200	2,653	2,706
42244	STATIONERY & OFFICE SUPPLIES	2,924	5,202	4,400	5,306	5,412
42245	COMPUTER HARDWARE-NON CAPITAL	486	8,323	6,500	8,490	8,659
42246	COMPUTER SOFTWARE-NON CAPITAL	1,860	9,364	7,700	9,551	9,742
42248	OTHER SUPPLIES	34,230	149,650	118,000	144,870	149,216
42250	ADVERTISING	2,889	2,040	793	2,081	2,122
42252	PHOTOCOPYING	169	-	500	515	530
42254	POSTAGE & FREIGHT	57	5,260	4,500	265	271
42257	PRINTING	876	1,561	6,200	1,592	1,624
42261	AUTO MILEAGE	22	153	100	156	159
42270	SEWER CHRGS MAINT/OPS (SCRWA)	3,539,550	3,879,467	3,879,467	4,152,849	4,360,491
42273	WATER/SEWER MAINTENANCE SVS	44	18,207	18,207	18,571	18,943
42281	SMALL TOOLS	3,409	4,162	4,227	4,245	4,330
42299	OTHER EXPENSE	17,085	7,500	7,200	9,350	7,959
42408	TRAINING & EDUCATION	9,227	7,803	6,100	7,959	8,118
42415	CONFERENCE & MEETINGS	115	780	1,700	796	812
42423	MEMBERSHIP & DUES	6,583	5,514	5,100	5,624	5,737
42435	SUBSCRIPTION & PUBLICATIONS	-	179	100	182	186
42510	MAINT - BLDGS/IMPROVEMENTS	354	-	-	-	-
42523	MAINT - MACHINE/EQUIPMENT	10,096	17,687	17,200	18,041	18,401
42526	MAINT - AUTO/TRUCKS	41,836	31,212	31,000	31,836	32,473
	Supplies Total	**3,916,595**	**4,652,348**	**4,473,544**	**4,765,234**	**4,988,037**

Wastewater Operations (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
43825	MACHINERY/EQUIPMENT	113,991	54,563	84,781	52,020	53,060
43840	COMPUTER EQUIPMENT	-	7,283	6,400	7,428	7,577
43845	COMPUTER SOFTWARE	-	7,803	7,803	7,959	8,118
	Capital Total	**113,991**	**69,649**	**98,984**	**67,407**	**68,755**
44990	PRINCIPAL	13,400,000	1,320,000	-	-	-
44991	INTEREST	539,640	331,462	98	-	-
44995	SERVICE FEES	3,460	3,713	-	-	-
	Debt Total	**13,943,100**	**1,655,175**	**98**	**-**	**-**
45003	GENERAL LIABILITY INSURANCE	127,689	109,309	109,309	57,655	63,421
45004	BUILDING MAINT - CURRENT SERVICES	26,342	27,053	27,053	46,558	61,189
45005	BUILDING MAINT - FUTURE REPLACEMENT	1,293	1,332	1,332	1,372	1,413
45006	FLEET REPLACEMENT	93,834	109,145	109,145	114,995	124,163
45009	INFO SYSTEM SERVICES	22,688	26,558	26,558	71,427	71,427
45010	GF ADMIN	184,811	194,051	194,051	203,754	213,941
	Internal Services Total	**456,657**	**467,448**	**467,448**	**495,761**	**535,554**
49210	TRANSFER OUT-010 (GENERAL FUND)	247,762	249,195	249,195	345,000	347,025
49212	TRANSFER OUT-232 (ENVIRONMENTAL PROGRAMS)	51,453	56,931	56,931	78,690	81,951
49214	TRANSFER OUT-207 (GENL PLAN UPDATE)	3,000	3,000	3,000	-	-
49262	TRANSFER OUT-643 (SEWER CIP)	600,000	588,654	3,500,000	2,639,485	2,392,810
49265	TRANSFER OUT-642 (SEWER RATE STABILIZATION)	-	-	1,000,000	-	-
49271	TRANSFER OUT-650 (WATER OPS)	274,173	316,409	316,409	401,799	415,544
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	36,630	36,630	44,775	22,388
	Transfer Total	**1,176,388**	**1,250,819**	**5,162,165**	**3,509,749**	**3,259,718**
5900 - Sewer Operations Total		**21,147,491**	**9,942,341**	**11,613,663**	**10,639,370**	**10,742,171**

Water Operations [650-5710]

DIVISION DESCRIPTION

The City of Morgan Hill supplies water service to approximately 13,500 metered residential, commercial, and industrial customers. Water Operations ensures that the City's water supply needs are continually met and that water quality meets or exceeds all public health and environmental standards. The City's municipal water source is 100 percent from ground water provided through 17 groundwater wells, 9 pumping stations, 10 reservoir sites, 23 pressure zones and 165 miles of distribution pipeline. Water Operations delivers quality service to its customers through formalized maintenance programs and long range planning activities that improve the reliability of the water system.

The Water Operations Fund receives the majority of its revenue from fixed meter and water consumption charges and thus is heavily influenced by two primary drivers: climate and economic development. Drought conditions continued during FY 15-16, the fifth year of dry weather in the State. The City Council maintained the Level 2 Water Supply Shortage restrictions and also implemented mandatory measures to achieve a 30% reduction in water use through the City. As a result, water production in 2015 was approximately 6,000 acre feet (AF) which is lower than the historical average of 7,800 AF. When compared with the 2013 peak usage of 8,938 AF the City realized a 33% reduction in water use.

The rains returned in late 2015 providing relief for drought stricken areas. For the City, this may come in the form of greater groundwater recharge allocations from the Santa Clara Valley Water District (SCVWD). However, aquifer recovery is a slow process and we expect the SCVWD to continue with water use restrictions for the foreseeable future. The Water Division team will continue to work closely with the SCVWD on water conservation and the status of the groundwater basin.

FY 15-16 ACCOMPLISHMENTS

- Completed a comprehensive rate study for the wastewater enterprise in order to balance the long-term environmental and financial sustainability
- Exercised 1,117 water valves to confirm system control function in the event of main breaks or other emergencies
- Tested 504 large (greater than 1 1/2 inches) water meters to ensure accuracy for the largest water customers
- Began design of the Butterfield Well, Boys Ranch #1, and Main Well #2 well rehabilitation projects
- Began design of the East Dunne Avenue Transmission Main and Reservoir projects
- Completed installing bulk storage tanks at each well allowing bulk delivery of chlorine; reduced disinfection costs
- Updated Urban Water Master Plan to comply with State requirements

ACTIVITY GOALS

FY 16-17 and 17-18

- Complete a Water System Master Plan including revised Capital Improvement Plan
- Implement work order management system needed to track work performed by the utility team
- Construct 850,000 gallon East Dunne Reservoir
- Design Holiday Booster Station at New East Dunne Avenue Reservoir
- Construct new pump and control buildings for the new East Main and Walnut Grove Wells
- Complete rehabilitation of the Boys Ranch #2 and Jackson Well

Water Operations (continued)

- Improve the Cross Connection Control Program to ensure compliance with State requirements. The work includes upgrading business systems to better track backflow devices and required testing and increased inspections as needed
- Continue expanded leak monitoring in high water pressure zones
- Develop water meter installation program with timeline to fully deploy Advanced Metering Infrastructure (AMI) System. The work includes installing new equipment on approximately 7,500 water services as well as upgrading business systems to support real time data access by customer service staff and water customers
- Continue to engage the community in a water rate conversation to determine and develop a sustainable and equitable response to the continued drought conditions

COUNCIL GOALS

Enhancing Public Safety

- Provide safe, clean drinking water
- Maintaining public health and safety in providing water to fight fires and protect property
- Maintain reliable and dependable water systems

Maintain Fiscal Responsibility

- Balance environmental and financial sustainability while meeting long term State conservation mandate
- Meet water revenue bond covenants and the water enterprise funds (operations, rate stabilization, and capital improvement funds) reserve policy

Planning Our Community

- Updating the Utilities Master Plans (Water, Sewer, Stormwater)
- Developing 5-year Urban Water Management Plan

Developing Our Community

- Constructing a multitude of water capital improvement projects

Participating In Regional Initiatives

- Participating in Task Force on Water Efficient New Development

FINANCIAL COMMENTS

In FY 15-16, the City Council went through an extensive utility rate study to ensure both public safety and public health for the Morgan Hill community are maintained. As a result of the rate study, the Council approved a five year annual rates increase plan to ensure that the integrity and reliability of the essential community assets can be maintained, aging and inefficient infrastructure replaced, provide proper reserve levels in accordance with Council policy and legally required debt coverage, and that sufficient annual operating revenue would be generated to pay all annual operating expenses.

Water Operations (continued)

The new rates became effective April 1, 2016 with ratepayers seeing an increase of 9.0 percent in fixed meter and consumption charges, and further rate adjustments of 7.25 percent on January 1 of each subsequent years through 2020. Costs that must be recovered through rate revenue include purchased water, electricity, equipment and supplies, treatment chemicals, debt service, and salaries and benefits. Additionally, revenues generated from the water rates would be used to restore water reserve funds that have been drawn down to compensate for lower levels of water consumption.

The two-year recommended budget in Water Operations incorporates a reduction in water consumption from the 2013 base year level by 30% in FY 16-17 and 20% in FY 17-18. At these water production levels, the groundwater production charges are budgeted at $2,358,651 and $2,845,753 in FY 16-17 and FY 17-18, respectively, which account for approximately 26% of the Water Operations budget. These amounts are based on the charges previously set by the SCVWD at $377 per AF in FY 16-17 and $398 per AF in FY 17-18. The SCVWD has proposed an additional increase to $398 per AF in FY 16-17 (11.8% increase over FY 15-16) and $420 per AF in FY 17-18. These additional increases in the amount of $131,384 in FY 16-17 and $157,303 in FY 17-18 are not included in the line item budgets. The City may consider to pass-through these additional increases to our water customers, as permitted in the recently approved Proposition 218 process.

The FY16-18 recommended budget also includes a new GIS Manager position, which will be funded 13% by Water, and remainder by the General, Community Development, Park Maintenance, Wastewater Funds.

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Water Operations (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	1,285,418	1,558,185	1,533,846	1,563,578	1,630,098
41271	SALARIES - PART-TIME TEMP	71,745	-	12,340	12,480	12,730
41320	EARNED LEAVE LIABILITY	20,512	20,512	20,512	42,548	44,250
41490	OVERTIME - GENERAL	90,796	74,263	94,000	76,491	78,786
41620	RETIREMENT - GENERAL	164,467	278,043	277,579	284,738	305,082
41690	DEFERRED COMPENSATION	22,456	31,164	29,071	26,987	28,039
41700	GROUP INSURANCE	259,413	275,455	254,500	256,125	268,685
41701	MEDICARE	17,716	23,718	19,745	18,956	19,972
41701	MEDICARE PTT AND OT	-	-	1,542	1,290	1,327
41730	INCOME PROTECTION INS	13,542	14,763	16,226	16,548	16,548
41760	WORKERS COMP	36,182	79,751	39,764	39,091	40,754
41760	WORKERS COMP PTT AND OT	-	-	2,659	2,224	2,288
41799	BENEFITS	3,496	3,296	3,477	3,546	3,546
41800	UNIFORM	16,618	9,548	20,500	20,910	21,328
	Salaries Total	**2,002,361**	**2,368,698**	**2,325,761**	**2,365,512**	**2,473,432**
42205	TAXES	331	-	500	-	-
42208	ELECTRIC	841,271	760,000	740,000	782,800	802,284
42209	GROUNDWATER PRODUCTION	2,170,508	2,068,176	2,227,267	2,458,753	2,988,756
42210	WATER/SEWER	2,422	2,758	2,400	2,841	2,926
42214	TELEPHONE	30,446	21,218	26,500	21,855	22,510
42228	GASOLINE & OIL	40,170	50,923	35,100	52,451	54,024
42231	CONTRACT SERVICES	501,462	551,708	369,563	381,485	392,930
42236	BANK CARD SERVICE FEES	332	438	900	900	900
42240	RENTALS - OUTSIDE	2,210	2,652	1,100	2,732	2,814
42244	STATIONERY & OFFICE SUPPLIES	5,148	9,548	4,200	9,835	10,130
42245	COMPUTER HARDWARE-NON CAPITAL	6,623	4,774	2,400	4,917	5,065
42246	COMPUTER SOFTWARE-NON CAPITAL	4,349	13,261	6,500	13,659	14,069
42248	OTHER SUPPLIES	164,606	233,200	192,000	230,926	237,854
42250	ADVERTISING	2,675	1,061	848	1,093	1,126
42252	PHOTOCOPYING	370	106	550	109	113
42254	POSTAGE & FREIGHT	1,017	6,545	5,800	1,741	1,794
42257	PRINTING	1,340	2,122	6,119	2,185	2,251
42261	AUTO MILEAGE	22	265	150	273	281
42273	WATER/SEWER MAINTENANCE SVS	20,731	53,045	35,000	54,636	56,275
42281	SMALL TOOLS	16,390	10,609	6,973	10,927	11,255
42299	OTHER EXPENSE	28,593	38,000	32,000	40,765	40,314
42408	TRAINING & EDUCATION	7,519	19,096	6,400	9,550	9,837
42415	CONFERENCE & MEETINGS	115	3,183	2,800	3,278	3,377
42423	MEMBERSHIP & DUES	6,394	15,914	12,000	16,391	16,883
42435	SUBSCRIPTION & PUBLICATIONS	861	212	100	219	225
42510	MAINT - BLDGS/IMPROVEMENTS	354	15,914	7,500	12,120	13,232
42523	MAINT - MACHINE/EQUIPMENT	15,966	16,922	25,000	25,000	25,000
42526	MAINT - AUTO/TRUCKS	15,367	26,523	24,500	27,318	28,138
	Supplies Total	**3,887,593**	**3,928,173**	**3,774,170**	**4,168,759**	**4,744,363**

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Water Operations (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
43825	MACHINERY/EQUIPMENT	123,453	86,700	72,000	88,434	90,203
43840	COMPUTER EQUIPMENT	-	5,253	5,100	5,358	5,465
43845	COMPUTER SOFTWARE	-	18,658	9,499	13,931	14,210
43897	METERS	546,128	550,000	550,386	650,000	650,000
	Capital Total	**669,581**	**660,611**	**636,985**	**757,723**	**759,878**
45003	GENERAL LIABILITY INSURANCE	72,195	75,750	75,750	80,113	88,124
45004	BUILDING MAINT - CURRENT SERVICES	52,794	54,220	54,220	85,587	115,204
45005	BUILDING MAINT - FUTURE REPLACEMENT	2,592	2,670	2,670	2,750	2,833
45006	FLEET REPLACEMENT	59,938	233,540	233,540	131,507	90,921
45009	INFO SYSTEM SERVICES	99,828	116,855	116,855	132,302	132,302
45010	GF ADMIN	195,746	205,534	205,534	215,810	226,601
	Internal Services Total	**483,094**	**688,568**	**688,569**	**648,069**	**655,984**
49210	TRANSFER OUT-010 (GENERAL FUND)	435,557	436,623	436,623	345,000	347,025
49212	TRANSFER OUT-232 (ENVIRONMENTAL PROGRAMS)	51,453	56,931	56,931	78,690	81,951
49214	TRANSFER OUT-207 (GENL PLAN UPDATE)	10,300	10,300	10,300	-	-
49275	TRANSFER OUT-652 (WATER RATE STABILIZATION)	-	-	627	500,000	500,000
49273	TRANSFER OUT-653 (WATER REPLACE)	1,121,914	1,114,706	939,538	945,549	1,351,771
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	45,385	45,385	55,380	27,690
	Transfer Total	**1,619,224**	**1,663,945**	**1,489,404**	**1,924,619**	**2,308,437**
5710 - Water Operations Total		**8,661,852**	**9,309,995**	**8,914,889**	**9,864,682**	**10,942,094**

CIP Project Implementation [745-8280]

DIVISION DESCRIPTION

The CIP Project Implementation engineering team implements the annual capital improvement program (CIP). These activities include upfront planning for the CIP, producing bid documents (plans, specifications, cost estimates) for capital projects, and managing the construction of the projects. The Engineers and Aides in the CIP section also provide support services to teammates in other departments within the City and to the City Manager including technical advice, documentation research, preparation of exhibits, and attendance at meetings when necessary. In addition, the CIP Project Implementation engineering team members respond to inquiries from the public on a regular basis. The non-Engineering, non-technical team members in CIP Project Implementation team include administrative staff. Their role is to provide support and guidance for the implementation of the CIP program.

The FY16-18 recommended budget includes a request to add a new Senior Project Manager and a Public Works Inspector positions to the Public Works team.

The Senior Project Manager position would be responsible for delivering more complex capital projects with a focus on upcoming Community Services recreation and parks projects funded by the Parks Impact fund (301), the Agriculture and Open Space Preservation Fund (306), and the new Commercial/Recreation Center Impact Fund (360). The position has been identified at the 'Senior Engineer' pay and responsibility level so that the City has a teammate with extensive public contract code and capital project delivery experience and can manage several complex projects simultaneously.

The Public Works Inspector position would provide a third in-house inspector position. The City carried three inspectors for many years before taking one of them out of the budget during the great recession. With a strong capital projects program and heavy development activity, the Public Works team has been using a contract inspector to manage the large workload. By hiring an in-house inspector, the City will realize a cost savings as contract Inspector result in a higher cost.

The CIP Project Implementation engineering team is augmented by consultants as needed for technical specialty work or time-constrained projects. In addition, through the use of in-house and contract support, the Division provides inspection services for CIP projects.

In cooperation with the Community and Engagement Manager, the CIP Engineering team is responsible for community engagement and communication with the general public regarding projects that are in the planning stage, the design stage, and in the construction stage. This outreach includes meetings with the public, meetings with specific affected property owners and businesses, notices and letters, and through use of social media.

FY 15-16 ACCOMPLISHMENTS

- Completed Downtown Projects
- Parking Structure
- Monterey Road Streetscape
- Third Street Reconstruction

CIP Project Implementation (continued)

- Fourth Street Reconstruction
- Overhead Utility Undergrounding
- Completed the Lift Station H project
- Completed Sewer Point Repair project
- Completed Harding Avenue Trunk Sewer project
- Began Design of Lift Station Electrical Upgrades to Stations D, F, and W
- Continued collaboration with Open Space Authority on El Toro Trail project
- Began design for Downtown Parks project
- Began Parks, Recreation, Bikes and Trails Master Plan
- Prepare bid package for Monterey Road Median project
- Completed Pavement Rehabilitation Project
- Completed Sidewalk Repair project
- Continued participation in Upper Llagas Flood Control project
- Completed Recycled Water Study
- Began design for Jackson Oaks Water Improvements projects
- New Reservoir
- New 16" Water Main
- Oak Canyon Booster Station
- E. Dunne Booster Station
- Completed Phase 1 of Wells project
- Rehabilitate Boys Ranch #2 Well
- Rehabilitate Jackson Well
- New Walnut Grove Well
- New Main Avenue Well
- Completed Electric Vehicle Charging Station project
- Attended regular South County Regional Wastewater Authority (SCRWA) meetings
- Attend Valley Transportation Authority (VTA) Technical Advisory Committee meetings
- Participated in VTA Envision Silicon Valley project
- Participated in VTA CIP Subcommittee

ACTIVITY GOALS

FY 16-17

- Complete Jackson Oaks Water Improvements projects
- Complete Pavement Rehabilitation project
- Complete Phase 2 of Water Wells projects

CIP Project Implementation (continued)

- Complete Downtown Parks projects
- Start Design of Library Expansion
- Attend regular South County Regional Wastewater Authority (SCRWA) meetings
- Participate with South County Regional Wastewater Authority (SCRWA) on Plant Expansion
- Complete Sidewalk Repair project
- Complete Safe Routes to School project
- Continue to participate in Upper Llagas Flood Control project
- Participate in Valley Transportation Authority (VTA) CIP Subcommittee
- Participate in (VTA) Envision Silicon Valley project
- Participate in County Expressways Master plan project
- Begin Planning for Corporation Yard Relocation
- Construct new traffic signal at Monterey Road and Fourth Street

FY 17-18

- Complete Water Improvements projects
- Complete Pavement Rehabilitation project
- Complete local drainage projects
- Continue with planning and design of W. Little Llagas Creek trail
- Continue Design of Library Expansion and bid documents
- Attend regular South County Regional Wastewater Authority (SCRWA) meetings
- Participate with South County Regional Wastewater Authority (SCRWA) on Plant Expansion
- Complete Sidewalk Repair project
- Complete Safe Routes to School project
- Continue to participate in Upper Llagas Flood Control project
- Participate in Valley Transportation Authority (VTA) CIP Subcommittee
- Participate in (VTA) Envision Silicon Valley project
- Start construction of Library expansion

COUNCIL GOALS

Enhancing public safety

- Water System Improvements (Water Quality, Reliability, Fire Fighting Capability)
- Wastewater System Improvements
- Sidewalk Repair projects
- Safe Routes to Schools Projects

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CIP Project Implementation (continued)

Protecting the environment

- Water System Improvements
- Wastewater System Improvements
- Transportation projects that promote Complete Streets design

Maintaining fiscal responsibility

- Capital Improvement Plan that adheres to master plans
- Quality Control in Design Documents
- Deliver Capital Improvement projects that reduce maintenance issues

Supporting youth

- Safe Routes to Schools projects
- Complete Streets design in transportation projects
- Design and build park spaces that accommodate youth

Fostering a positive organizational culture

- Collaborate with other Departments in developing CIP projects

Preserving and cultivating public trust

- Communicate to affected neighborhoods and businesses on projects
- Meet stated deadlines and budgets
- Keep website up to date

Planning Our Community

- Develop infrastructure master plans and follow plans
- Coordinate infrastructure design and construction with development projects
- Design projects to minimize future maintenance

Developing Our Community

- Build safe and reliable infrastructure
- Coordinate infrastructure design and construction with development projects
- Build infrastructure to meet growth needs

Enhancing Our Services

- Build safe and reliable water and wastewater improvements
- Seek ways to provide sustainable streets
- Collaborate regionally to provide smart infrastructure

CIP Project Implementation (continued)

Improving Our Communication

- Keep website updated
- Reach out to affected community for all CIP projects - inform, listen, & collaborate
- Collaborate with other Departments on infrastructure build-out

Participating In Regional Initiatives

- Actively participate with VTA on Envision Silicon Valley and other transportation grants
- Actively participate with SCRWA on treatment plant expansion
- Actively participate with SCVWD on long-term water supply and flood control

FINANCIAL COMMENTS

The proposed CIP program is $29M in FY 16-17 and then $28M in FY 17-18. The proposed FY's 16-17 and 17-18 budgets for Project Implementation (8280) are focused on delivering bond funded water and wastewater projects City-wide and launching what will be a robust parks and recreation acquisition and facilities program. In addition, a Streets budget that includes nearly $2M in pavement maintenance and $900,000 towards the Hale Avenue extension helps balance the CIP program.

To deliver these projects Public Works will take a different approach for FY's 16-17 and 17-18. Previously, the use of a consulting firm who specializes in water and wastewater system planning and delivery was used to deliver the bond-funded water and wastewater projects. This method of project delivery was used because the in-house engineering team is too small to take on the water and wastewater projects and still be able to work on the balance of the CIP program. If the recommended new Senior Projects Manager position is approved, that position will take on many of the larger and complex projects in the CIP and the other in-house engineering team can complete the water and wastewater projects. This will eliminate the need for the consulting firm but only after the Senior Project Manager is on board with the City. The recommended budget anticipates the Senior Project Manager position to be filled by mid –fiscal year. Thus, the use of the water and wastewater consulting engineer will continue for the first half of the 16-17 fiscal year. Overall, engineering contract services, which are charged directly to the CIP Projects, will decrease. The salaries line item in fund 745 will correspondingly increase due to the hire of the new Senior Project Manager if approved.

The other Decision Package that impacts the budget is the new Public Works Inspector. This position will perform inspection services for both Land Development Engineering and Capital Projects Engineering. The salary will be split by 70% to CIP 745 and 30% to Engineering 206. The new costs that will be charged to the Salaries line item will be more than made up with a reduction in contract services charged to each project.

The 745-8280 budget will increase from $1.7 million (project year-end for FY 15-16) to $1.8 million FY 16-17 and then to $1.9 million in FY 17-18.

CIP Project Implementation (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	872,875	941,002	955,079	1,020,771	1,069,400
41271	SALARIES - PART-TIME TEMP	514	-	1,500	-	-
41320	EARNED LEAVE LIABILITY	31,533	33,767	33,767	25,417	26,434
41490	OVERTIME - GENERAL	2,476	8,487	2,800	-	-
41620	RETIREMENT - GENERAL	152,817	167,912	170,318	185,183	199,415
41690	DEFERRED COMPENSATION	16,385	18,995	16,577	15,197	15,779
41700	GROUP INSURANCE	94,540	97,120	110,452	135,422	142,085
41701	MEDICARE	11,844	13,829	12,735	13,807	14,546
41701	MEDICARE PTT AND OT	-	-	62	-	-
41730	INCOME PROTECTION INS	7,539	6,933	8,239	9,174	9,174
41760	WORKERS COMP	21,721	47,261	23,697	25,520	26,735
41760	WORKERS COMP PTT AND OT	-	-	108	-	-
41799	BENEFITS	4,141	4,246	6,576	6,306	6,306
41800	UNIFORM	-	743	743	758	773
	Salaries Total	**1,216,385**	**1,340,295**	**1,342,653**	**1,437,555**	**1,510,647**
42214	TELEPHONE	5,916	8,593	4,000	8,593	8,851
42228	GASOLINE & OIL	3,264	5,835	2,000	5,835	6,010
42230	SPECIAL COUNSEL	-	34,408	16,000	35,441	36,504
42231	CONTRACT SERVICES	578	6,896	2,500	21,896	22,103
42244	STATIONERY & OFFICE SUPPLIES	3,194	5,835	3,500	5,835	6,010
42245	COMPUTER HARDWARE-NON CAPITAL	3,909	9,770	9,770	14,020	10,063
42246	COMPUTER SOFTWARE-NON CAPITAL	850	4,456	4,500	4,589	4,727
42248	OTHER SUPPLIES	1,507	6,896	5,000	6,896	7,103
42250	ADVERTISING	419	318	150	328	338
42252	PHOTOCOPYING	2,087	2,334	2,600	2,404	2,476
42254	POSTAGE & FREIGHT	1,095	1,167	1,900	1,202	1,238
42257	PRINTING	210	955	3,000	983	1,013
42261	AUTO MILEAGE	350	849	350	874	900
42299	OTHER EXPENSE	547	1,061	650	1,061	1,093
42408	TRAINING & EDUCATION	1,470	3,713	1,200	3,713	3,825
42415	CONFERENCE & MEETINGS	1,033	1,591	1,000	1,591	1,639
42423	MEMBERSHIP & DUES	499	849	568	849	874
42435	SUBSCRIPTION & PUBLICATIONS	459	212	212	219	225
42510	MAINT - BLDGS/IMPROVEMENTS	-	212	212	219	225
42523	MAINT - MACHINE/EQUIPMENT	-	212	212	219	225
42526	MAINT - AUTO/TRUCKS	681	2,652	2,400	2,652	2,732
42531	MAINT - FURNITURE/OFFICE EQUIP	-	265	265	265	273
	Supplies Total	**28,069**	**99,080**	**61,989**	**119,684**	**118,447**
43830	AUTO/TRUCKS	-	-	-	17,500	-
	Capital Total	**-**	**-**	**-**	**17,500**	**-**
45003	GENERAL LIABILITY INSURANCE	78,456	66,815	66,815	26,305	28,936
45004	BUILDING MAINT - CURRENT SERVICES	18,700	18,171	18,172	43,120	41,488
45005	BUILDING MAINT - FUTURE REPLACEMENT	2,927	3,015	3,015	3,105	3,199
45009	INFO SYSTEM SERVICES	17,833	20,875	20,875	10,097	10,097
45010	GF ADMIN	117,297	123,161	123,161	129,319	135,785
	Internal Services Total	**235,212**	**232,038**	**232,038**	**211,947**	**219,504**
49241	TRANSFER OUT-BOND/DEBT	10,061	10,061	10,061	5,756	6,635
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	20,606	20,606	27,752	13,876
	Transfer Total	**10,061**	**30,667**	**30,667**	**33,508**	**20,511**
8280 - Capital Project Implementation Total		**1,489,728**	**1,702,079**	**1,667,347**	**1,820,194**	**1,869,109**

Internal Service Funds/Miscellaneous Programs

Appropriations Summary

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
Employee Services	$ 1,913,418	$ 1,979,248	$ 2,133,745	$ 2,217,097	$ 2,323,038
Supplies & Services	3,720,406	4,879,534	4,073,179	4,232,228	4,386,571
Capital Outlay	971,821	2,397,902	1,762,866	2,735,539	1,036,611
Debt Services	37,527	25,874	28,579	10,375	10,375
Internal Service	133,756	136,569	136,569	147,542	156,996
Transfers Out	-	29,367	29,368	37,208	19,288
Project Expenditure	95,512	24,713	12,428	-	-
TOTAL EXPENDITURES	**$ 6,872,442**	**$ 9,473,206**	**$ 8,176,734**	**$ 9,379,988**	**$ 7,932,879**

	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
EMPLOYEE ASSISTANCE	$ 21,252	$ 51,131	$ 31,131	$ 41,188	$ 41,247
INFORMATION SERVICES	945,358	1,080,497	996,728	1,398,225	1,133,739
COMMUNICATIONS AND ENGAGEMENT	-	265,243	267,998	332,572	339,769
BUILDING MAINTENANCE - CCC	756,804	791,265	623,219	561,450	579,550
BUILDING MAINTENANCE - AC	770,943	807,602	729,567	761,708	757,773
BUILDING MAINTENANCE - CRC	552,990	633,820	606,788	665,821	657,995
BUILDING MAINTENANCE - PD	291,096	290,421	328,766	338,460	326,208
BUILDING MAINTENANCE - CIVIC CENTER CAMPUS (COUNCIL CHAMBER BUILDING, VILLAS, AND EXTERIOR GROUNDS)	202,782	379,159	428,664	255,518	255,841
BUILDING MAINTENANCE - CIVIC CENTER CAMPUS (CITY HALL/DEVELOPMENT SERVICES CENTER)	145,328	172,527	198,713	203,103	182,870
BUILDING MAINTENANCE - FRIENDLY INN	41,752	44,990	47,093	46,408	51,371
BUILDING MAINTENANCE - EL TORO YOUTH CTR	8,998	10,503	9,503	9,675	9,912
BUILDING MAINTENANCE - CORP YARD	86,968	111,252	93,865	157,331	217,328
BUILDING REPLACEMENT	289,283	267,737	162,928	1,088,700	356,500
UNEMPLOYMENT INS	19,668	36,050	20,000	20,000	20,400
WORKERS' COMP	628,203	1,048,570	675,477	792,948	808,807
EQUIPMENT REPLACEMENT	695,224	1,998,161	1,566,761	1,161,569	575,111
EMPLOYEE BENEFITS	548,274	412,000	516,400	537,056	558,538
GENERAL LIABILITY INSURANCE	867,521	1,072,279	873,133	1,008,256	1,059,920
TOTAL EXPENDITURES BY PROGRAM	**$ 6,872,442**	**$ 9,473,206**	**$ 8,176,734**	**$ 9,379,988**	**$ 7,932,879**

FULL TIME EQUIVALENT EMPLOYEES	**11.4700**	**11.4700**	**11.9200**	**11.6625**	**11.6625**

Employee Assistance Programs [240-2610]

ACTIVITY DESCRIPTION

This fund supports various employee financial assistance programs. The FY 16-18 Biennial budget includes funding for the employee computer loan program. Through this program, an employee may borrow up to $2,000 to purchase a computer system for home use. The employee repays the City through payroll deductions.

FY 15-16 ACCOMPLISHMENTS

- Distributed roughly $20,000 in loans for employee home computer purchase
- Collected an estimated $24,000 in loan repayments

ACTIVITY GOALS

FY 16-17 and 17-18

- Promote the availability of home computer loans for employees
- Target first time loan applicants

COUNCIL GOALS

- Fostering a positive organizational culture

FINANCIAL COMMENT

The computer loan program is a revolving loan fund with new loans being distributed from the existing loan payments. The program focuses on first time borrowers.

Employee Assistance Programs (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
42299	OTHER EXPENSE	400	-	-	-	-
42605	COMPUTER LOAN PROGRAM	19,774	50,000	30,000	40,000	40,000
	Supplies Total	**20,174**	**50,000**	**30,000**	**40,000**	**40,000**
45010	GF ADMIN	1,077	1,131	1,131	1,188	1,247
	Internal Services Total	**1,077**	**1,131**	**1,131**	**1,188**	**1,247**
2610 - Employee Assistance Total		**21,252**	**51,131**	**31,131**	**41,188**	**41,247**

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Information Services [730-2520]

DIVISION DESCRIPTION

Information Services' goal is to add value to the City of Morgan Hill business processes by managing information assets so that departments can concentrate on their business while providing quality customer service.

This activity manages information technology planning and technical support for all City operations and includes the new Technology and Telecommunications components for the General Plan Project and Emergency Operations. Equipment supported includes approximately 242 personal computers and laptops, 33 virtual servers, 14 physical servers, one storage area network (SAN), and the six Network-Attached Storage (NAS) devices required to sustain the City's 10 local and wide area networks, electronic mail, internet access, database administration, and remote access to City information.

Information Services will be replacing the virtual server and SAN infrastructure purchased in 2009 as it reaches the end of its useful life. This is part of our 7 year replacement cycle for server and storage devices with the SAN reaching end of life support in 2017. Server and storage replacement was originally split across multiple fiscal years but all phases have been brought together into one project to take advantage of new technology that combines server and storage into a framework that is easily expanded by smaller units that will allow us to add just what is needed for the next year while being able to take advantage of opportunity projects that may require smaller incremental infrastructure expansion without the large price tag and labor investment found in expanding traditional storage and servers.

This framework will also be used for deploying Virtual Desktops. By moving to Virtual Desktops, we will be able to upgrade desktops to Windows 10, take advantage of centralized energy efficient servers to provide access to the applications and information used in the City business processes, extend the useful lifespan of current workstations, allow for low cost replacements, reduce administration and support costs, and provide greater flexibility and mobility accessing the City information resources.

Information Services will be performing upgrades to Microsoft Exchange and Microsoft Office to Microsoft's cloud-based Office 365. Phase one will move our no longer supported Exchange 2003 environment to the cloud-based Exchange Online and provide larger mailboxes, centralized record discovery, greater mobile access to email, and support for a more comprehensive email policy. Exchange Online is a component of the Office 365 Government Enterprise cloud offering and changes email costs (and later Microsoft Office licensing) to an ongoing operational expense rather than a one-time capital cost. This move to the cloud also allows the server and SAN infrastructure upgrade to be smaller, and provides a more cost effective entry framework by being able to maintain the same size we currently have while supporting more services. Phase 2 will start in July 2017 by upgrading the current Microsoft Office 2007 to Microsoft Office 365 Government Enterprise with the latest version of Microsoft Office Suite and provides additional cloud storage and collaboration services.

During this fiscal period we will also replace 6 servers to finish our server upgrade project, finish upgrading our Active Directory to the latest version, add secondary storage for the retention of security camera video, complete the addition of redundant power to the Police Department server and dispatch rooms, and start the planning process for changes to the data connections between City buildings.

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Information Services (continued)

FY 15-16 ACCOMPLISHMENTS

- Implemented strong password policies for the entire organization
- Developed and implemented new support policies and procedures and helpdesk system
- Worked with the Police Department to upgrade phone system to Hosted Voice Over Internet Protocol (VOIP)
- Worked with the Police Department to upgrade 911 system
- Implemented Hosted VOIP telephone system in Council Chamber
- Automated Public Works timecard system reporting and integrated update process with EDEN payroll system
- Updated the CIP budget document process

ACTIVITY GOALS

FY 16-17

- Upgrade the Exchange 2003 locally hosted email system to Exchange Online cloud based email and prepare for upgrading Microsoft Office 2007 to Microsoft Office 365 Government Enterprise cloud solution
- Upgrade of the remaining 6 legacy servers to Windows 2008 R2 or Windows 2012
- Addition of video storage for existing security camera digital video recorders (DVR's)
- Implementation of Virtual Desktops
- Continue to work with departments on developing enhanced reports with automated distribution using Microsoft Reporting Services
- Replace servers and enterprise SAN to meet current and future data infrastructure needs
- Compete for the **MISAC *Quality in IT Practices Award***

FY 17-18

- Update Microsoft Office 2007 to Office 365 Government Enterprise cloud solution
- Inter-campus telecommunications planning for connectivity between City office locations

COUNCIL GOALS

Enhancing public safety

- Virtual desktops, Exchange Online, and Office 365 cloud solutions provide resiliency and greater mobile access for City communication and data resources
- Expanded video storage capacity supports longer retention periods, higher quality security cameras, and more camera coverage

Protecting the environment

- Cloud based services provide reduced local hardware and consolidate resources to be more efficient and environmentally friendly

Information Services (continued)

- Reduced hardware, new technology, and solid state disk storage reduce direct energy and cooling costs

Maintaining fiscal responsibility

- Converged hardware is the foundation for incrementally planned expansion sized for the next annual requirements and allows for opportunity project investment by being easily expanded for growth without investment in technical training or having to oversize and have unused resources
- Cloud subscription services convert large one time capital investments into ongoing operational costs that can be easily expanded or reduced as needed to link cost to usage and provide access to the most current versions of applications without the capital cost spikes associated with upgrading

Enhancing Our Services

- Exchange Online provides for centralized email, retention, discovery, and litigation hold functions that can be easily automated
- Implementing Microsoft Office 365 Government Enterprise cloud solutions provides the City with the latest versions of software and patches by moving technical support tasks to Microsoft; giving City engineers more time to focus on other City support and project needs

Improving Our Communication

- Microsoft Office 365 Enterprise cloud provides greater office and mobile access to storage and sharing applications while increasing the size of email and the number of methods for file sharing available for communicating between our City teams, with our partners, and with our customers

FINANCIAL COMMENTS

Operating costs are funded by departments based on the amount of technology present in each department.This is represented by the amount of equipment each division is using and the complexity associated with the support of those devices.

Information Services (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	471,031	424,357	445,079	452,324	471,292
41271	SALARIES - PART-TIME TEMP	29,205	-	32,000	-	-
41320	EARNED LEAVE LIABILITY	12,195	12,349	12,349	15,132	15,738
41490	OVERTIME - GENERAL	5,466	4,120	6,620	10,000	10,000
41620	RETIREMENT - GENERAL	82,795	83,451	79,534	82,034	87,858
41690	DEFERRED COMPENSATION	7,103	5,282	9,056	10,282	10,762
41700	GROUP INSURANCE	70,773	66,605	81,313	86,406	90,670
41701	MEDICARE	6,731	6,341	6,495	5,817	6,131
41701	MEDICARE PTT AND OT	-	-	560	145	145
41730	INCOME PROTECTION INS	4,799	3,728	4,188	4,156	4,156
41760	WORKERS COMP	12,392	21,320	11,786	11,309	11,783
41760	WORKERS COMP PTT AND OT	-	-	966	250	250
41799	BENEFITS	6,685	8,808	6,518	6,485	6,485
41900	CONTRACT LABOR	-	20,000	20,000	-	-
	Salaries Total	**709,174**	**656,361**	**716,464**	**684,340**	**715,270**
42214	TELEPHONE	8,345	5,900	5,900	5,300	5,300
42231	CONTRACT SERVICES	97,035	135,491	172,900	171,924	238,924
42244	STATIONERY & OFFICE SUPPLIES	13	500	500	500	500
42245	COMPUTER HARDWARE-NON CAPITAL	9,524	81,696	7,400	5,000	5,000
42246	COMPUTER SOFTWARE-NON CAPITAL	3,126	6,000	6,000	1,000	1,000
42247	CONTRACT IS SERVICES	1,080	3,000	3,000	3,000	3,000
42248	OTHER SUPPLIES	857	600	2,449	600	600
42250	ADVERTISING	2,735	-	600	750	1,000
42252	PHOTOCOPYING	111	100	100	100	100
42254	POSTAGE & FREIGHT	68	50	50	100	100
42261	AUTO MILEAGE	602	1,080	1,080	1,080	1,080
42299	OTHER EXPENSE	357	300	300	300	300
42408	TRAINING & EDUCATION	-	2,000	2,000	5,000	5,000
42415	CONFERENCE & MEETINGS	1,184	200	531	3,500	2,000
42423	MEMBERSHIP & DUES	140	500	300	200	200
42425	COMMUNICATION ENGAGEMENT	31,555	-	550	-	-
42435	SUBSCRIPTION & PUBLICATIONS	260	200	200	200	200
	Supplies Total	**156,993**	**237,617**	**203,860**	**198,554**	**264,304**
43840	COMPUTER EQUIPMENT	66,119	90,123	53,000	460,000	105,000
43845	COMPUTER SOFTWARE	-	75,000	-	-	-
	Capital Total	**66,119**	**165,123**	**53,000**	**460,000**	**105,000**
44991	INTEREST	271	-	257	-	-
44994	LEASE PAYMENTS	1,637	-	1,751	1,907	1,907
	Debt Total	**1,908**	**-**	**2,008**	**1,907**	**1,907**
45003	GENERAL LIABILITY INSURANCE	8,931	8,601	8,601	11,392	12,531
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	26,950	25,930
45005	BUILDING MAINT - FUTURE REPLACEMENT	2,233	2,300	2,300	2,369	2,440
	Internal Services Total	**11,164**	**10,901**	**10,901**	**40,711**	**40,901**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	10,495	10,495	12,713	6,357
	Transfer Total	**-**	**10,495**	**10,495**	**12,713**	**6,357**
2520 - Information Services Total		**945,358**	**1,080,497**	**996,728**	**1,398,225**	**1,133,739**

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Communications and Engagement [730-5145]

ACTIVITY DESCRIPTION

The Communications and Engagement function is coordinated and managed by the Communications and Engagement Manager. The Communications and Engagement Manager serves as the City's Public Information Officer and is responsible for developing and disseminating information about the City's programs, services, policies, events, and major initiatives. This position is also responsible for administering the oversight and coordination of all external and internal communications and provides support and direction for community outreach efforts.

Over the past few years the City Council has increased the level of resources to ensure its commitment and expectation for high quality and continuously improving communication and engagement can be met. Building upon the extensive communication/engagement work that was done for the Downtown Investment Strategy projects and our increasing use of social media we recognize we can continue to improve.

A key tool for focusing efforts on improved communication will be the communication assessment performed by an outside consulting firm in early FY 16-17. We anticipate the findings of this assessment will guide us in potential enhancements to be made in both FY 16-17 and FY 17-18, including the possibility of additional resources for overall web and social media management and resources for project based consulting services as needed.

FY 15-16 ACCOMPLISHMENTS

- Continued with extensive community outreach efforts for the Downtown Placemaking Investment Strategy, including the Complete Streets Pilot Project
- Provided coordination of communication and outreach efforts for the water/wastewater Proposition 218 rate process
- Provided support for extensive community outreach related to the community's quality of life service priorities and the funding of these priority services
- Developed and launched website mobile application
- Continued effective use of social media and digital civic engagement technologies
- Purchased and implemented the use of Siteimprove Web Governance Suite, a web based tool to allow for ease and enhanced ability to maintain, monitor, and optimize the city website and improve the user experience
- Purchased the equipment and license needed to remotely update and format the monitors in the lobby at City Hall and the Council Chamber. This enhancement will allow the monitors to be updated remotely improving the timeliness of the information posted and cutting down the amount of staff time to make the updates in half. The enhancements will allow the 2 monitors to promote upcoming meetings, events, promotions, recruitments, etc.

ACTIVITY GOALS

FY 16-17 and 17-18

- Continue to provide support for extensive community outreach related to the community's quality of life service priorities and the funding of services (including survey in July 2016)

Communications and Engagement (continued)

- Conduct a communications assessment to evaluate current communication tools and strategies and to better understand resource needs for improved communication in support of the Council's 2016 focus area of improving communication. The assessment will also help us to better understand how the community wants to receive City information and engage with the City
- Create interdepartmental communications team to improve and provide consistency in the way to we communicate information on key initiatives/projects with teammates and the community
- Develop better use of analytic tools to better understand the effectiveness of our communication
- Develop and implement measures to determine effectiveness of communication/engagement strategies
- Implement communication/engagement project planning tool organization wide to support the development of communications/engagement strategies at the beginning of each project

FINANCIAL COMMENTS

As an internal service fund, the costs associated with the Communications and Engagement function are allocated to all other Departments.

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Communications and Engagement [730-5145]

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	-	120,396	120,529	140,953	152,462
41271	SALARIES - PART-TIME TEMP	-	18,639	27,047	27,422	27,970
41320	EARNED LEAVE LIABILITY	-	3,330	3,330	3,420	3,557
41620	RETIREMENT - GENERAL	-	22,798	21,550	25,563	28,422
41690	DEFERRED COMPENSATION	-	2,408	2,040	2,819	3,049
41700	GROUP INSURANCE	-	7,559	7,070	7,541	7,912
41701	MEDICARE	-	2,033	1,846	1,798	1,955
41701	MEDICARE PTT AND OT	-	-	392	398	406
41730	INCOME PROTECTION INS	-	998	1,321	1,321	1,321
41760	WORKERS COMP	-	6,482	3,459	3,524	3,812
41760	WORKERS COMP PTT AND OT	-	-	676	686	699
41799	BENEFITS	-	1,200	1,154	1,224	1,224
	Salaries Total	**-**	**185,843**	**190,414**	**216,668**	**232,789**
42214	TELEPHONE	-	-	2,000	2,000	2,000
42231	CONTRACT SERVICES	-	25,800	25,500	40,000	40,800
42246	COMPUTER SOFTWARE-NON CAPITAL	-	600	600	1,200	1,224
42248	OTHER SUPPLIES	-	-	-	8,754	-
42250	ADVERTISING	-	2,500	100	500	510
42251	MARKETING/PROMOTIONS	-	27,500	35,529	32,000	32,000
42252	PHOTOCOPYING	-	500	-	-	-
42257	PRINTING	-	5,000	5,000	5,000	5,100
42261	AUTO MILEAGE	-	500	500	500	510
42299	OTHER EXPENSE	-	8,000	2,000	5,000	5,100
42408	TRAINING & EDUCATION	-	500	200	500	510
42415	CONFERENCE & MEETINGS	-	5,500	3,145	6,500	6,630
42423	MEMBERSHIP & DUES	-	440	450	450	459
	Supplies Total	**-**	**76,840**	**75,024**	**102,404**	**94,843**
45003	GENERAL LIABILITY INSURANCE	-	-	-	2,779	3,057
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	6,573	6,324
	Internal Services Total	**-**	**-**	**-**	**9,352**	**9,381**
49241	TRANSFER OUT-BOND/DEBT	-	-	-	1,047	1,206
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	2,560	2,560	3,101	1,550
	Transfer Total	**-**	**2,560**	**2,560**	**4,148**	**2,756**
5145 - Communications and Engagement Total		**-**	**265,243**	**267,998**	**332,572**	**339,769**

Building Maintenance - Community and Cultural Center [740-2115]

ACTIVITY DESCRIPTION

The Community Services Department is responsible for all major repairs, preventive maintenance, capital improvements and future replacement schedules for the Community and Cultural Center (CCC) campus. The campus includes the CCC Main Building, Community Playhouse, Downtown Amphitheater and Gavilan College facilities.

FY 15-16 ACCOMPLISHMENTS

- Replaced Hiram Morgan Hill Room curtains
- Installed a shade structure for Children's Pavilion play area
- Repaired surfacing in the Children's Pavilion play area
- Upgraded landscaping along parking lot frontage

ACTIVITY GOALS

FY 16-17

- Improve interior directional signage
- Coordinate with Information Services to increase DVR storage
- Add blinds in the Mira Monte, Diana Murphy and Poppy Jasper Rooms
- Replace facility rectangular tables
- Make repairs to Spray Pad
- Replace restroom countertops
- Paint Playhouse interior and replace curtains
- Replace/upgrade HVAC components

FY 17-18

- Replace Playhouse seating and carpet
- Replace some carpeting and wall fabric in Hiram Morgan Hill Room

FINANCIAL COMMENTS

The Building Maintenance Fund is an Internal Service Fund that recovers the cost of maintaining City facilities by charging the departments that use those facilities. An additional fee is charged for the scheduled future replacement of major building equipment, such as mechanical systems.

Building Maintenance - Community and Cultural Center (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	100,385	100,709	103,793	107,903	111,631
41270	SALARIES - PART-TIME	25,097	-	963	-	-
41320	EARNED LEAVE LIABILITY	5,312	3,199	3,199	2,958	3,076
41490	OVERTIME - GENERAL	968	500	2,500	3,000	3,000
41620	RETIREMENT - GENERAL	21,997	17,971	18,701	19,569	20,810
41690	DEFERRED COMPENSATION	2,566	1,782	2,181	2,179	2,253
41700	GROUP INSURANCE	15,326	14,249	17,175	21,379	22,449
41701	MEDICARE	1,742	1,469	1,557	1,398	1,462
41730	INCOME PROTECTION INS	1,544	1,018	1,140	1,165	1,165
41760	WORKERS COMP	3,183	5,048	5,307	2,698	2,791
41799	BENEFITS	120	120	149	166	166
	Salaries Total	**178,240**	**146,065**	**156,665**	**162,415**	**168,803**
42208	ELECTRIC	86,053	105,000	105,000	110,250	115,000
42210	WATER/SEWER	14,231	25,000	14,000	16,500	17,000
42230	SPECIAL COUNSEL	-	-	1,193	-	-
42231	CONTRACT SERVICES	272,284	130,082	130,082	140,735	133,550
42248	OTHER SUPPLIES	19,840	19,055	18,670	19,500	19,890
42262	CHEMICALS	-	1,500	-	2,000	2,040
42510	MAINT - BLDGS/IMPROVEMENTS	121,332	324,748	157,033	73,000	90,000
42526	MAINT - AUTO/TRUCKS	1,107	-	112	-	-
	Supplies Total	**514,846**	**605,385**	**426,090**	**361,985**	**377,480**
43825	MACHINERY/EQUIPMENT	16,980	-	-	4,000	-
	Capital Total	**16,980**	**-**	**-**	**4,000**	**-**
44990	PRINCIPAL	17,838	8,173	8,822	8,255	8,338
44991	INTEREST	376	294	294	212	129
	Debt Total	**18,214**	**8,468**	**9,116**	**8,468**	**8,468**
45003	GENERAL LIABILITY INSURANCE	28,524	28,289	28,289	20,846	22,931
	Internal Services Total	**28,524**	**28,289**	**28,289**	**20,846**	**22,931**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	3,059	3,059	3,736	1,868
	Transfer Total	**-**	**3,059**	**3,059**	**3,736**	**1,868**
2115 - Community & Cultural Center Total		**756,804**	**791,265**	**623,219**	**561,450**	**579,550**

Building Maintenance - Aquatics Center [740-2120]

ACTIVITY DESCRIPTION

The Community Services Department is responsible for all major repairs, preventive maintenance, capital improvements and future replacement schedules for the Morgan Hill Dennis Kennedy Aquatics Center (AC).

FY 15-16 ACCOMPLISHMENTS

- Upgraded scoreboard with improved signage
- Supported the Information Services Division on the installation of private WiFi routers
- Replaced a portion of the facility deck chairs
- Replaced a portion of the pool lane lines
- Replaced pace clocks
- Replaced restroom and lobby floors
- Relocated CO_2 System to outdoor location to increase safety and improve ease of use

ACTIVITY GOALS

FY 16-17

- Resurface pool deck
- Replace pool drain grates as required
- Replace the chlorine generator cell
- Coordinate with Information Services to increase DVR storage
- Add fencing to parking area to better control parking during major events
- Replace concession line poles
- Coordinate with IS to install a fiber data connection to the OSC from the AC
- Provide maintenance to concrete areas and slide column bases
- Repair restroom partitions
- Recoat slide stairs epoxy
- Replace mechanical room doors

FY 17-18

- Improve restroom facilities and install swim suit spinners
- Improve fencing for ease of customer use, safety and event access
- Relocate networking systems into a temperature controlled area

FINANCIAL COMMENTS

The Building Maintenance Fund is an Internal Service Fund that recovers the cost of maintaining City facilities by charging the departments that use those facilities. An additional fee is charged for the scheduled future replacement of major building equipment, such as mechanical systems.

Building Maintenance - Aquatics Center (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	102,344	102,663	105,723	109,862	113,590
41320	EARNED LEAVE LIABILITY	4,388	4,218	4,218	3,849	4,002
41490	OVERTIME - GENERAL	3,255	1,125	1,125	1,500	1,575
41620	RETIREMENT - GENERAL	17,908	18,319	18,882	19,925	21,175
41690	DEFERRED COMPENSATION	2,085	1,821	2,163	2,179	2,253
41700	GROUP INSURANCE	20,273	20,816	20,654	23,692	24,867
41701	MEDICARE	1,393	1,507	1,552	1,435	1,501
41730	INCOME PROTECTION INS	1,125	1,018	1,142	1,166	1,166
41760	WORKERS COMP	2,619	5,161	5,322	2,747	2,840
41799	BENEFITS	120	120	149	166	166
	Total	**155,510**	**156,768**	**160,929**	**166,521**	**173,135**
42208	ELECTRIC	180,494	180,000	165,000	180,000	190,000
42210	WATER/SEWER	25,254	36,040	24,000	27,500	28,750
42214	TELEPHONE	-	-	640	-	-
42230	SPECIAL COUNSEL	-	-	1,143	-	-
42231	CONTRACT SERVICES	117,602	111,280	111,280	122,618	125,070
42248	OTHER SUPPLIES	37,924	36,600	36,600	37,750	38,505
42262	CHEMICALS	105,805	115,000	115,000	115,000	118,450
42281	SMALL TOOLS	11	1,000	1,454	1,000	1,000
42408	TRAINING & EDUCATION	230	-	-	-	-
42510	MAINT - BLDGS/IMPROVEMENTS	135,961	151,243	93,850	87,500	73,500
	Supplies Total	**603,281**	**631,163**	**548,967**	**571,368**	**575,275**
43825	MACHINERY/EQUIPMENT	5,000	9,000	9,000	13,270	-
	Capital Total	**5,000**	**9,000**	**9,000**	**13,270**	**-**
45003	GENERAL LIABILITY INSURANCE	7,152	7,612	7,612	6,813	7,494
	Internal Services Total	**7,152**	**7,612**	**7,612**	**6,813**	**7,494**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	3,059	3,059	3,736	1,868
	Transfer Total	**-**	**3,059**	**3,059**	**3,736**	**1,868**
2120 - Aquatics Center Total		**770,943**	**807,602**	**729,567**	**761,708**	**757,773**

Building Maintenance - Centennial Recreation Center [740-2125]

ACTIVITY DESCRIPTION

The Community Services Department, in partnership with the Building Maintenance Manager, is responsible for all major repairs, preventive maintenance, capital improvements and future replacement schedules for the Centennial Recreation Center (CRC).

FY 15-16 ACCOMPLISHMENTS

- Installed new security cameras
- Replaced TVs in the fitness center
- Supported the Information Services Division on the installation of private WiFi routers
- Replaced tile floor in the west hallway restrooms
- Purchased tables and chairs
- Replaced refrigerator in the guard room

ACTIVITY GOALS

FY 16-17

- Recoat water slide and repaint stairs
- Coordinate with Information Services to increase DVR storage
- Install an air freshener system in the locker rooms
- Install wall lockers in the fitness center and gymnasium to improve safety
- Install donor recognition signage for the Senior Center
- Upgrade generator system for use of the CRC during emergencies with power outages
- Repaint multi-purpose room
- Replace coffee machines in the Senior Center
- Upgrade Fitlinxx Equipment
- Replace and upgrade pool chemical controller
- Replace and improve locker room tile floors

FY 17-18

- Add additional gymnasium lines and improve the gymnasium sound system
- Add hydration station in the east hallway
- Redesign the fitness center layout
- Install high efficiency heater for pool
- Replace major components of pool play structure
- Replace multi-purpose room tables and chairs
- Replace fitness equipment
- Resurface pool deck with anti-slip surfacing

Building Maintenance - CRC (continued)

FINANCIAL COMMENTS

The Building Maintenance Fund is an Internal Service Fund that recovers the cost of maintaining City facilities by charging the departments that use those facilities. An additional fee is charged for the scheduled future replacement of major building equipment, such as mechanical systems. The Recreation and Community Services Department staff is responsible for day-to-day operations of the Centennial Recreation Center.

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Building Maintenance - CRC (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	111,008	110,604	115,181	120,181	124,566
41320	EARNED LEAVE LIABILITY	4,234	3,915	3,915	4,159	4,325
41490	OVERTIME - GENERAL	1,658	1,125	1,125	1,181	1,205
41620	RETIREMENT - GENERAL	19,437	19,736	20,569	21,796	23,222
41690	DEFERRED COMPENSATION	2,309	1,864	2,407	2,438	2,528
41700	GROUP INSURANCE	19,377	19,607	19,822	21,573	22,651
41701	MEDICARE	1,491	1,623	1,690	1,555	1,629
41730	INCOME PROTECTION INS	1,225	1,109	1,246	1,272	1,272
41760	WORKERS COMP	2,794	5,558	5,798	3,005	3,114
41799	BENEFITS	181	180	223	248	248
	Salaries Total	**163,713**	**165,321**	**171,975**	**177,408**	**184,760**
42208	ELECTRIC	57,598	47,000	59,326	62,767	64,022
42210	WATER/SEWER	25,666	50,000	24,000	26,400	26,928
42228	GASOLINE & OIL	364	-	-	-	-
42230	SPECIAL COUNSEL	-	-	1,143	-	-
42231	CONTRACT SERVICES	171,091	188,636	188,636	206,299	210,425
42248	OTHER SUPPLIES	64,375	78,795	78,795	86,266	87,991
42262	CHEMICALS	6,565	6,000	6,390	6,180	6,304
42281	SMALL TOOLS	1,359	2,200	2,200	2,266	2,311
42510	MAINT - BLDGS/IMPROVEMENTS	27,217	65,383	43,750	70,000	51,000
42526	MAINT - AUTO/TRUCKS	-	-	88	-	-
	Supplies Total	**354,235**	**438,014**	**404,328**	**460,178**	**448,982**
43825	MACHINERY/EQUIPMENT	8,500	-	-	4,000	-
	Capital Total	**8,500**	**-**	**-**	**4,000**	**-**
45003	GENERAL LIABILITY INSURANCE	26,542	27,202	27,202	20,227	22,250
	Internal Services Total	**26,542**	**27,202**	**27,202**	**20,227**	**22,250**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	3,283	3,283	4,008	2,004
	Transfer Total	**-**	**3,283**	**3,283**	**4,008**	**2,004**
2125 - Centennial Recreation Center Total		**552,990**	**633,820**	**606,788**	**665,821**	**657,995**

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Building Maintenance - Police Station [740-3225]

ACTIVITY DESCRIPTION

The Police Department is responsible for all preventive maintenance, major repairs, and future replacement schedules for the Police Station.

FY 15-16 ACCOMPLISHMENTS

- Installed fencing around back lot/storage area
- On-going maintenance and repair of the security system and garage door operators

ACTIVITY GOALS

FY 16-17

- Replace carpeting within the facility
- Coordinate with Information Services to increase DVR storage
- Upgrade server room with redundant UPS power supply

FINANCIAL COMMENTS

The Building Maintenance Fund is an Internal Service Fund that recovers the cost of maintaining City facilities by charging the departments that use those facilities. An additional fee is charged for the scheduled future replacement of major building equipment, such as mechanical systems.

Building Maintenance - Police Station (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	35,802	32,328	34,120	35,590	37,219
41320	EARNED LEAVE LIABILITY	2,708	2,836	2,836	-	-
41490	OVERTIME - GENERAL	630	-	500	500	510
41620	RETIREMENT - GENERAL	6,251	5,769	6,086	6,455	6,938
41690	DEFERRED COMPENSATION	613	647	630	491	491
41700	GROUP INSURANCE	2,813	2,884	2,858	3,838	3,938
41701	MEDICARE	426	469	502	524	547
41730	INCOME PROTECTION INS	484	866	491	576	576
41760	WORKERS COMP	919	1,616	1,718	890	931
	Salaries Total	**50,646**	**47,415**	**49,741**	**48,864**	**51,150**
42208	ELECTRIC	107,061	110,000	112,000	117,900	120,258
42210	WATER/SEWER	4,882	6,500	4,750	5,200	5,304
42228	GASOLINE & OIL	-	-	929	929	948
42231	CONTRACT SERVICES	75,076	55,000	57,342	92,232	94,077
42248	OTHER SUPPLIES	3,724	5,500	5,850	6,000	6,120
42510	MAINT - BLDGS/IMPROVEMENTS	26,612	44,780	76,928	51,200	31,700
	Supplies Total	**217,355**	**221,780**	**257,799**	**273,461**	**258,406**
43835	FURNITURE/OFFICE EQUIPMENT	3,632	-	-	-	-
	Capital Total	**3,632**	**-**	**-**	**-**	**-**
45003	GENERAL LIABILITY INSURANCE	19,463	19,818	19,818	14,306	15,737
	Internal Services Total	**19,463**	**19,818**	**19,818**	**14,306**	**15,737**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	1,408	1,408	1,829	915
	Transfer Total	**-**	**1,408**	**1,408**	**1,829**	**915**
3225 - PD Support Services Total		**291,096**	**290,421**	**328,766**	**338,460**	**326,208**

Building Maintenance - Civic Center Campus (Council Chamber Building, Villas, and Exterior Grounds) [740-5150]

ACTIVITY DESCRIPTION

The Community Services Department is responsible for all major repairs, preventive maintenance, capital improvements and future replacement schedules for the Civic Center Campus. The campus includes the Council Chamber Building, City Hall/Development Services Center, Villas, and the Outdoor Grounds.

FY 15-16 ACCOMPLISHMENTS

- Kept City facilities clean and well maintained

ACTIVITY GOALS

FY 16-17

- Replace and upgrade Council Chamber doors
- Upgrade work room
- Support relocation of additional staff from City Hall building, including office setup, storage creation, expanded and evaluation of HVAC systems

FY 17-18

- Upgrade HVAC systems for office spaces
- Purchase additional tables and wireless microphones

FINANCIAL COMMENTS

The Building Maintenance Fund is an Internal Service Fund that recovers the cost of maintaining City facilities by charging the departments that use those facilities. An additional fee is charged for the scheduled future replacement of major building equipment, such as mechanical systems.

Building Maintenance - Civic Center Campus (Council Chamber Building, Villas, and Exterior Grounds) (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	12,997	25,921	13,734	15,933	17,094
41270	SALARIES - PART-TIME	-	-	12,444	13,105	13,417
41320	EARNED LEAVE LIABILITY	1,370	2,093	2,093	1,079	1,122
41490	OVERTIME - GENERAL	46	-	-	-	-
41620	RETIREMENT - GENERAL	2,249	4,625	4,661	5,266	5,688
41690	DEFERRED COMPENSATION	251	518	499	368	368
41700	GROUP INSURANCE	1,466	2,424	2,373	3,386	3,486
41701	MEDICARE	95	376	380	432	453
41730	INCOME PROTECTION INS	154	662	370	453	453
41760	WORKERS COMP	326	1,296	1,309	726	763
	Salaries Total	**18,954**	**37,915**	**37,864**	**40,748**	**42,844**
42208	ELECTRIC	46,468	40,000	59,500	62,951	64,210
42210	WATER/SEWER	16,263	22,000	18,500	20,000	20,400
42214	TELEPHONE	3,111	2,000	5,228	5,228	5,333
42231	CONTRACT SERVICES	60,365	25,000	51,321	59,560	60,751
42248	OTHER SUPPLIES	8,105	7,500	10,926	10,300	10,506
42254	POSTAGE & FREIGHT	2	-	81	30	31
42281	SMALL TOOLS	152	-	500	500	510
42510	MAINT - BLDGS/IMPROVEMENTS	25,003	218,500	218,500	37,000	31,000
	Supplies Total	**159,469**	**315,000**	**364,556**	**195,569**	**192,740**
45003	GENERAL LIABILITY INSURANCE	24,358	25,156	25,156	17,759	19,535
	Internal Services Total	**24,358**	**25,156**	**25,156**	**17,759**	**19,535**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	1,088	1,088	1,442	721
	Transfer Total	**-**	**1,088**	**1,088**	**1,442**	**721**
	5150 - Building Maintenance - Civic Center Campus (Council Chamber Building, Villas, and Exterior Grounds) Total	**202,782**	**379,159**	**428,664**	**255,518**	**255,841**

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Building Maintenance - Civic Center Campus (City Hall/Development Services Center) [740-5155]

ACTIVITY DESCRIPTION

The Community Services Department is responsible for all major repairs, preventive maintenance, capital improvements and future replacement schedules for the Civic Center Campus. The campus includes the Council Chamber Building, City Hall/Development Services Center, Villas, and the Outdoor Grounds.

FY 15-16 ACCOMPLISHMENTS

- Provided maintenance and janitorial service to newly renovated Council Chambers Building

ACTIVITY GOALS

FY 16-17 and 17-18

- Maximize workspace through cubicle and storage redesign

FINANCIAL COMMENTS

The Building Maintenance Fund is an Internal Service Fund that recovers the cost of maintaining City facilities by charging the departments that use those facilities. An additional fee is charged for the scheduled future replacement of major building equipment, such as mechanical systems.

Building Maintenance - Civic Center Campus (City Hall/Development Services Center) (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	25,540	38,735	26,513	29,038	30,511
41270	SALARIES - PART-TIME	-	-	12,444	13,105	13,417
41320	EARNED LEAVE LIABILITY	2,139	2,902	2,902	1,975	2,054
41490	OVERTIME - GENERAL	138	-	-	-	-
41620	RETIREMENT - GENERAL	4,453	6,912	6,960	7,643	8,189
41690	DEFERRED COMPENSATION	490	775	743	614	614
41700	GROUP INSURANCE	2,364	3,344	3,271	4,290	4,390
41701	MEDICARE	285	562	565	617	642
41730	INCOME PROTECTION INS	330	1,070	549	633	633
41760	WORKERS COMP	645	1,937	1,948	1,054	1,098
	Salaries Total	**36,385**	**56,237**	**55,895**	**58,969**	**61,548**
42208	ELECTRIC	43,019	40,000	40,000	42,320	43,166
42210	WATER/SEWER	1,821	3,000	1,900	2,125	2,168
42231	CONTRACT SERVICES	32,302	26,500	26,499	27,543	28,094
42248	OTHER SUPPLIES	13,887	12,500	15,000	15,450	15,759
42281	SMALL TOOLS	-	-	68	-	-
42510	MAINT - BLDGS/IMPROVEMENTS	12,070	26,000	50,000	45,000	25,000
	Supplies Total	**103,098**	**108,000**	**133,467**	**132,438**	**114,187**
43825	MACHINERY/EQUIPMENT	-	-	1,060	4,000	-
	Capital Total	**-**	**-**	**1,060**	**4,000**	**-**
45003	GENERAL LIABILITY INSURANCE	5,845	6,562	6,562	5,479	6,027
	Internal Services Total	**5,845**	**6,562**	**6,562**	**5,479**	**6,027**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	1,728	1,728	2,217	1,109
	Transfer Total	**-**	**1,728**	**1,728**	**2,217**	**1,109**
5155 - Building Maintenance - Civic Center Campus (City Hall/Development Services Center) Total		**145,328**	**172,527**	**198,713**	**203,103**	**182,870**

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Building Maintenance – Friendly Inn [740-5165]

ACTIVITY DESCRIPTION

Renovation of the City's Friendly Inn Non-Profit Service Center was completed in FY 09-10. The City Council has approved tenancy for a number of non-profit organizations, including the Silicon Valley Chapter of the American Red Cross, Morgan Hill Home Group of Narcotics Anonymous, Advent Ministries, Work2Future, Healthier Kids Foundation, and TeenForce.

The Community Services Department is responsible for the general maintenance, upkeep, lighting, cleaning, repairs to interior improvements including, but not limited to custodial, electrical, and plumbing services.

FY 15-16 ACCOMPLISHMENTS

- Maintain collaborative relationship with all Friendly Inn tenants
- Repainted areas within the facility

ACTIVITY GOALS

FY 16-17

- Repaint designated areas of the facility

FY 17-18

- Replace flooring in the meeting room

FINANCIAL COMMENTS

The Building Maintenance Fund is an Internal Service Fund that recovers the cost of maintaining City facilities by charging the departments that use those facilities. An additional fee is charged for the scheduled future replacement of major building equipment, such as mechanical systems. The Community Services Department serves as the agent of the City in the collection, crediting and payment of all fees, charges, expenses and costs necessary for the operation of the Friendly Inn Non-Profit Service Center.

Building Maintenance – Friendly Inn (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
42208	ELECTRIC	7,981	7,000	11,701	12,380	12,628
42210	WATER/SEWER	580	2,120	1,500	1,685	1,719
42214	TELEPHONE	1,840	1,764	1,764	1,817	1,853
42231	CONTRACT SERVICES	26,701	21,652	21,652	22,301	22,747
42248	OTHER SUPPLIES	2,196	979	1,500	1,545	1,576
42510	MAINT - BLDGS/IMPROVEMENTS	-	9,000	6,500	5,000	9,000
	Supplies Total	**39,298**	**42,514**	**44,617**	**44,728**	**49,523**
45003	GENERAL LIABILITY INSURANCE	2,454	2,476	2,476	1,680	1,848
	Internal Services Total	**2,454**	**2,476**	**2,476**	**1,680**	**1,848**
5165 - Friendly Inn Maintenance Total		**41,752**	**44,990**	**47,093**	**46,408**	**51,371**

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Building Maintenance – El Toro Youth Center [740-5167]

ACTIVITY DESCRIPTION

The City is responsible for general maintenance of the El Toro Youth Center located at 17620 Crest Avenue. The building is owned by the City and operated by the Boys and Girls Club of Silicon Valley.

FINANCIAL COMMENTS

The Building Maintenance Fund is an Internal Service Fund that recovers the cost of maintaining City facilities by charging the departments that use those facilities. An additional fee is charged for the scheduled future replacement of major building equipment, such as mechanical systems.

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Building Maintenance – El Toro Youth Center (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
42210	WATER/SEWER	913	1,700	700	950	969
42231	CONTRACT SERVICES	4,316	4,000	4,000	4,120	4,202
42248	OTHER SUPPLIES	1,891	2,000	2,000	2,060	2,101
42510	MAINT - BLDGS/IMPROVEMENTS	1,082	2,000	2,000	2,000	2,040
	Supplies Total	**8,202**	**9,700**	**8,700**	**9,130**	**9,313**
45003	GENERAL LIABILITY INSURANCE	796	803	803	545	600
	Internal Services Total	**796**	**803**	**803**	**545**	**600**
5167 - El Toro Youth Center Maintenance Total		**8,998**	**10,503**	**9,503**	**9,675**	**9,912**

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Building Maintenance - Corporation Yard [740-5715]

ACTIVITY DESCRIPTION

The Community Services Department is responsible for all major repairs, preventive maintenance, capital improvements and future replacement schedules at the Corporation Yard.

FY 15-16 ACCOMPLISHMENTS

- Interior/Exterior Painting

ACTIVITY GOALS

FY 16-17

- Modernize restrooms and replace counters

FY 17-18

- Repair termite damage
- Construct metal building to cover bins

FINANCIAL COMMENTS

The Building Maintenance Fund is an Internal Service Fund that recovers the cost of maintaining City facilities by charging the departments that use those facilities. An additional fee is charged for the scheduled future replacement of major building equipment, such as mechanical systems.

Building Maintenance - Corporation Yard (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	6,726	28,880	7,344	29,835	32,401
41320	EARNED LEAVE LIABILITY	2,206	1,065	1,065	-	-
41620	RETIREMENT - GENERAL	1,179	5,153	1,269	5,411	6,040
41690	DEFERRED COMPENSATION	131	578	142	409	440
41700	GROUP INSURANCE	1,017	11,520	1,061	13,331	13,995
41701	MEDICARE	-	419	107	591	634
41730	INCOME PROTECTION INS	66	866	66	921	921
41760	WORKERS COMP	167	1,444	367	746	811
	Salaries Total	**11,492**	**49,925**	**11,422**	**51,244**	**55,242**
42208	ELECTRIC	18,899	18,500	18,500	19,573	19,964
42210	WATER/SEWER	2,940	2,800	2,800	3,120	3,182
42231	CONTRACT SERVICES	37,455	23,000	40,116	40,966	41,785
42248	OTHER SUPPLIES	2,710	1,500	5,500	5,250	5,355
42510	MAINT - BLDGS/IMPROVEMENTS	7,091	7,500	7,500	30,000	85,000
	Supplies Total	**69,095**	**53,300**	**74,416**	**98,909**	**155,287**
45003	GENERAL LIABILITY INSURANCE	6,381	6,619	6,619	5,349	5,884
	Internal Services Total	**6,381**	**6,619**	**6,619**	**5,349**	**5,884**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	1,408	1,408	1,829	915
	Transfer Total	**-**	**1,408**	**1,408**	**1,829**	**915**
5715 - Building Maintenance - Corporation Yard Total		**86,968**	**111,252**	**93,865**	**157,331**	**217,328**

Unemployment Insurance [760-8230]

ACTIVITY DESCRPTION

Human Resources manages the unemployment insurance activity and budget. Working in conjunction with the State Employment Development Department, Human Resources evaluates claims for benefits in an effort to manage the City's liability in this area. The Unemployment Insurance program (UI) pays benefits to previous City employees who have lost their job and meet the program's eligibility requirements.

The City has chosen the self-insured method as the most cost-effective way to manage the City's unemployment insurance costs; the City reimburses the State for actual costs incurred for the payment of UI benefits. The State bills the City quarterly, however, payment to the qualified former employee actually precedes the City's reimbursement to the State.

FINANCIAL COMMENTS

The City will continue to be challenged with unemployment claim charges due partly to seasonal and temporary employees filing for unemployment once their temporary assignment has ended and they are separated from employment with the City. The weekly unemployment insurance benefit amounts range from a minimum of $40 to a maximum of $450, depending on the claimant's past quarterly earnings. The maximum amount of UI benefits payable to a claimant during a regular benefit year is 26 times the claimant's weekly benefit amount or one-half of the total base period earnings, whichever is less. The benefit year is a 52-week period starting on the effective date of a new UI claim.

Unemployment Insurance (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
42542	CLAIMS - UNEMPLOYMENT	19,668	36,050	20,000	20,000	20,400
	Supplies Total	**19,668**	**36,050**	**20,000**	**20,000**	**20,400**
8230 - Unemployment Insurance Total		**19,668**	**36,050**	**20,000**	**20,000**	**20,400**

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Workers' Compensation [770-8220]

DIVISION DESCRIPTION

The Human Resources Division serves as the City's Workers Compensation Program Manager and is responsible for managing the City's workers' compensation program and Third Party Administrator (TPA), who handles the day-to-day workers' compensation claim administration. The Human Resources team coordinates all aspects of the workers' compensation program with the TPA. This includes reporting of injuries; providing lost time and salary information; training for managers, supervisors, and other employees; early return to work programs; claimant service evaluations; and maintenance of the City's medical, exposures, and workers' compensation claims files.

The City of Morgan Hill is currently a member of the Local Agency Workers' Compensation Excess joint powers authority (LAWCX) for the purpose of obtaining and pooling excess workers' compensation coverage. Under this arrangement, the City maintains a self-insured retention of $250,000 of each claim and excess coverage with statutory limits, up to $5,000,000.

As a result of an actuarial review of the City's self-insured workers' compensation program in FY 13-14 it was recommended that workers' compensation benefits (replacement salary/wages) for each affected employee be paid by their home department's operating budget—just as if the employee were still earning salary/wages for time actually worked. Since FY 14-15 this recommendation has been included in the budget to avoid the illusion of salary savings versus budget in operating departments that happen to have significant absences from work due to job-related injuries or illness.

FY 15-16 ACCOMPLISHMENTS

- Partnered with the City of Gilroy to jointly solicit proposals from qualified Third Party Administrators (TPA) for the administration of our self-insured workers' compensation program, with the goal to choose a TPA for a 2-year contract (FY16-17, FY 17-18)
- Offered ergonomic evaluations to new employees and to employees who changed workstations
- Met quarterly with TPA to review open claims, status to date, and action plan
- Included medical-only claims in cost projections and tracking to better reflect workers' compensation costs
- As of March 31, 2016, successfully resolved and closed eleven open indemnity claims

ACTIVITY GOALS

FY 16-17 and FY 17-18

- Partner with TPA to conduct a training for supervisors and managers on workers' compensation procedures
- Continue to conduct preventive ergonomic evaluations for new employees and for employees who change workstations
- Maintain an assertive position in monitoring the activities of the TPA to close cases as soon as appropriate
- Continue to develop further strategies to reduce costs
- Meet quarterly with TPA to review open claims, status to date, and action plan
- Meet annually with TPA for a program review of the fiscal year activity

Workers' Compensation [770-8220]

FINANCIAL COMMENTS

The City shall make every effort to maintain a minimum reserve level for workers' compensation equal to the sum of twice the self-insured amount for a single claim ($500,000). The estimated future reserves as of March 31, 2016 is $916,316 compared to $1,130,215 on June 30, 2015. The reserve fund was impacted primarily by one settlement, costing $135,000. Workers' compensation claims through March 31, 2016 total $384,523 compared to $622,970 paid in the same period the prior year (July 1, 2015 - March 31, 2015). As of March 31, 2016, the City has a total of 6 new claims in FY 15-16 (medical only and indemnity) whereas in FY 14-15, there were a total of 19 new claims.

The City is also exploring the option of implementing a volunteer firefighter program, which would require that the volunteers have workers' compensation coverage. Any indemnity payments for volunteer firefighters would impact the City's projected loss data and assessments from the Department of Industrial Relations, which may increase the City's workers' compensation costs.

Workers' Compensation (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
42221	INSURANCE PREMIUMS	228,501	276,000	276,000	289,800	295,596
42231	CONTRACT SERVICES	35,960	37,039	41,289	38,148	38,911
42261	AUTO MILEAGE	-	67	-	-	-
42299	OTHER EXPENSE	2,985	15,000	8,114	15,000	15,300
42415	CONFERENCE & MEETINGS	-	64	-	-	-
42435	SUBSCRIPTION & PUBLICATIONS	-	400	74	-	-
42545	CLAIMS - WORKER'S COMP	360,757	720,000	350,000	450,000	459,000
	Supplies Total	**628,203**	**1,048,570**	**675,477**	**792,948**	**808,807**
8220 - Workers' Comp Total		**628,203**	**1,048,570**	**675,477**	**792,948**	**808,807**

Equipment Replacement [790-8500]

ACTIVITY DESCRIPTION

The Equipment Replacement Fund provides a mechanism for the City to budget and fund future replacement of vehicles and equipment. Each department that uses City vehicles or equipment with future replacement funding is charged an annual fee based on future replacement costs and the useful life for each item. This program continues to provide a basis for the City to plan for and achieve incremental costs related to equipment and vehicle replacement to smooth fluctuations in the City budget in any given fiscal year.

As part of the biennial budget process, Finance Department will continue to provide a budgetary planning tool for departments including calculation of salvage values, serviceable life spans, accounting replacement contribution, and interest distribution. These tracking tools will be updated periodically. The Equipment Replacement Management Committee will work to increase coordination between departments in managing their equipment and vehicles.

FINANCIAL COMMENTS

Pre-funding of vehicle and equipment replacement provides for a measure of budget predictability, insures timely replacement which enhances safety and efficiency, and reduces the need for deficit spending based on a large capital outlay in any given fiscal year. For FY 16-18 Biennial Budget, the following equipment is proposed to be replaced. The Budget also calls for an expedited repayment schedule of SVRIA costs for the infrastructure, consoles and radios for the Fire and Police department. The initial cost of approximately, $1,000,000, was funded by an advance from the Equipment Replacement fund. The plan is to have the costs repaid within three years or by FY 18-19, instead of the prior repayment schedule of ten years.

City of Morgan Hill
Vehicle Replacement Schedule

Fiscal Year	Department	Vehicle Description	Replacement Cost
16-17	Police Dept	2008 Ford Crown Victoria (K-9 car)	$ 67,535
16-17	Police Dept	2009 Ford Crown Victoria	67,535
16-17	Streets	2007 Backhoe 1760T	126,626
16-17	Public Works	1994 Bobcat Excavator	90,000
16-17	Public Works	1998 Jacobsen Bobcat Trailer	5,000
16-17	Public Works	2003 Ford F450 HD Reg Cab with Dump	80,000
16-17	Public Works	1982 Jeep AM Genl 4 Cycl	50,000
16-17	Building	2001 Chevy Silverado	27,465
16-17	Building	2007 Chevrolet Silverado 15 truck	22,437
			$ 536,598
17-18	Police Dept	2011 Chevrolet Malibu	$ 67,535
17-18	Police Dept	2010 Ford Crown Victoria	67,535
17-18	Police Dept	2010 Ford Crown Victoria	67,535
17-18	Police Dept	2010 Ford Crown Victoria	67,535
17-18	Public Works	2005 Club Car Model 294 Diesel	40,000
17-18	Public Works	2007 Ford F-450 Utility Truck	80,000
17-18	Public Works	2007 Ford F-350 Utility Truck	60,000
			$ 450,140

Equipment Replacement (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
43825	MACHINERY/EQUIPMENT	200,153	1,176,020	744,571	624,971	124,971
43830	AUTO/TRUCKS	477,666	804,735	804,735	536,598	450,140
	Capital Total	**677,819**	**1,980,755**	**1,549,306**	**1,161,569**	**575,111**
44991	INTEREST	2,333	-	-	-	-
44994	LEASE PAYMENTS	15,072	17,406	17,455	-	-
	Debt Total	**17,405**	**17,406**	**17,455**	**-**	**-**
8500 - Equipment Replacement Total		**695,224**	**1,998,161**	**1,566,761**	**1,161,569**	**575,111**

Employee Benefits Fund [791-2610]

ACTIVITY DESCRIPTION

Since FY 10-11, the Employee Benefits Fund (EBF) has captured, in one place, the City's liability for leave which has been earned, but not taken. The purpose of EBF is to remove from operating department budgets the expenditure spikes caused by payouts of vacation and other leave earned but not taken, thus dampening the effects on operating department budgets of the inherently episodic nature of leave payouts to employees exiting the City workforce.

Each year, all funds are assessed 15 percent of their outstanding balance at the end of June 2014. The recommended biennial budget includes a set aside of $593,657 for FY 16-17 and $624,674 for FY 17-18. Expenditures (paid leave cash payments) are expected to reach approximately $537,000 and $559,000 for FY 16-17 and FY 17-18, respectively.

In addition to compensated absences, the City began to set aside funds related to Other Post Employment Benefits (OPEB) and "PERS Stabilization Account". OPEB benefits consist of only the legally required contribution to a retiree's health insurance, currently at $106.25 per month per retiree. The City's unfunded liability for OPEB is estimated at $2.3 million. The City began to set aside funds related to OPEB in FY14-15 with an initial funding of $110,000 and additional funding of $270,000 in FY 15-16. The Recommended Biennial Budget proposes an annual funding from all funds of $300,000 to help fund future benefits. In addition, the Budget also recommends an additional funding of $300,000 in FY 16-17 to its "PERS Stabilization Account" that could be used to mitigate unpredictable PERS rate increases and prepayment of unfunded pension obligations.

Employee Benefits Fund (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41320	EARNED LEAVE LIABILITY	548,274	412,000	516,400	537,056	558,538
	Salaries Total	**548,274**	**412,000**	**516,400**	**537,056**	**558,538**
2610 - Employee Assistance Total		**548,274**	**412,000**	**516,400**	**537,056**	**558,538**

General Liability [795-8210]

ACTIVITY DESCRIPTION

The City purchases liability/property/vehicle insurance through the Association of Bay Area Governments (ABAG) PLAN (Pooled Liability Assurance Network). The City is a member of the ABAG PLAN for coverage of liability risks associated with City operations. This provides a pool of liability/property coverage distributed among 28 member municipalities. Claim amounts incurred by City in excess of the self-insured retention are shared among 28 member agencies, providing incentives for all participants to control loss exposures.

The liability program offers broad-form coverage, contractual liability, personal injury and vehicles operations. Under this program, the City is currently self-insured for the first $100,000 of any liability claim and is covered for up to $30,000,000 in costs for each claim. The ABAG PLAN provides claims administration.

The ABAG PLAN property program offers a single, all-risk policy covering buildings and contents, boilers and machinery, data processing, vehicles and other coverage. The program carries a $5,000 deductible per loss. Like many municipalities in California, the City has opted not to purchase insurance coverage for the risk of earthquake damage because it would be cost prohibitive.

ABAG support services include risk management, claims administration, actuarial studies, loss control training, financial and other administrative services, and comprehensive legal defense. ABAG also provides significant grant funding to member entities for safety improvement, risk mitigation and attainment of best practices. Examples of how ABAG risk management grants were put to use during FY 15-16 appear immediately below.

FY 15-16 ACCOMPLISHMENTS

- Installation of Americans with Disabilities Act (ADA) compliant seating at CCC Amphitheater
- Relocation of CO2 tanks from interior mechanical room to an external area due to limited ventilation in original location
- Replacement of Aquatics Center safety "height" signs
- Establishment of insurance review and processing procedures to enhance efficiencies and achievement of City's risk management goals
- Replacement of concrete grinder with newer model including better safety features
- Purchase of Police Department driver training safety supplies (cones/delineators)

ACTIVITY GOALS

FY 16-17

Enhancing public safety

- Finalize Vehicle Use Policy
- Sidewalk maintenance and repairs
- Evaluate/enhance crosswalk and pedestrian safety
- Evaluate/enhance aquatic facility safety
- Aquatics Center audit and lifeguard training
- Driver Training of PD non-sworn officers

General Liability (continued)

Planning our community

- Enhance ADA accessibility at public facilities
- Installation of "Gold Fine" gravel to aid ADA access at the Community Garden

Preserving and cultivating public trust

- The City will continue to work with the ABAG PLAN Risk Control Consultant to implement best practices and procedures for risk management, and will meet or exceed the minimum risk management program threshold ABAG PLAN has set for member cities

Maintaining fiscal responsibility

- City operations will continue to emphasize safety issues and best business practices to minimize situations that cause insurance claims

FY 17-18

Enhancing public safety

- Revise/update Sidewalk maintenance program standard operating procedure (SOP)

Preserving and cultivating public trust

- Revise/update Emergency Action Plan (SOP)

Protecting the environment

- Revise/update sewer/storm drain management program (SOP)

FINANCIAL COMMENTS

The City manages its risk through a shared pool of liability coverage with other similar legal entities through the ABAG PLAN. This enhances efficiency as ABAG is very familiar with the types of issues that confront local governments and the appropriate response to these situations. The fiscal policy of the City is to maintain a minimum reserve level for general liability equal to four times the City's self-insured retention amount for general liability claims, of which minimum reserve level equals $400,000. The City currently maintains approximately $575,000 in available assets within the General Liability internal service fund to cover its self-insured retentions for claims related to general liability and property damage, of which the amount equals approximately 144% of the reserve policy level for this fund.

General Liability (continued)

Object	Expenditure Details Description	14-15 Actual	15-16 Amended	15-16 Year End Projection	16-17 Adopted	17-18 Adopted
41100	SALARIES - GENERAL	31,729	47,976	51,119	56,188	60,768
41320	EARNED LEAVE LIABILITY	-	-	-	487	507
41620	RETIREMENT - GENERAL	5,584	8,561	9,152	10,190	11,328
41690	DEFERRED COMPENSATION	-	960	-	-	-
41700	GROUP INSURANCE	2,477	3,808	3,717	3,805	3,984
41701	MEDICARE	429	696	690	759	823
41730	INCOME PROTECTION INS	25	998	30	30	30
41760	WORKERS COMP	787	2,399	1,268	1,405	1,519
	Salaries Total	**41,031**	**65,398**	**65,976**	**72,864**	**78,959**
42214	TELEPHONE	108	-	48	48	49
42217	SURETY BOND	797	917	949	996	1,046
42219	GENERAL LIABILITY INS	499,469	549,416	561,750	589,838	619,329
42220	PROPERTY INSURANCE	68,454	78,722	67,640	71,022	74,573
42231	CONTRACT SERVICES	20	100	-	-	-
42244	STATIONERY & OFFICE SUPPLIES	307	200	100	100	102
42246	COMPUTER SOFTWARE-NON CAPITAL	207	-	-	-	-
42250	ADVERTISING	599	-	-	-	-
42252	PHOTOCOPYING	39	200	50	50	51
42254	POSTAGE & FREIGHT	-	200	40	40	41
42257	PRINTING	59	60	-	-	-
42415	CONFERENCE & MEETINGS	1,368	2,000	150	1,500	1,530
42423	MEMBERSHIP & DUES	225	150	150	200	204
42539	CLAIMS FOR DAMAGES	237,697	373,636	175,000	266,761	280,099
42540	PROPERTY CLAIM	17,143	-	-	-	-
	Supplies Total	**826,491**	**1,005,601**	**805,877**	**930,555**	**977,025**
45004	BUILDING MAINT - CURRENT SERVICES	-	-	-	3,287	3,162
	ISF Total	**-**	**-**	**-**	**3,287**	**3,162**
49321	TRANSFER OUT - EMPLOYEE BENEFITS FUND	-	1,280	1,280	1,550	775
	Transfer Total	**-**	**1,280**	**1,280**	**1,550**	**775**
8210 - General Liability Insurance Total		**867,521**	**1,072,279**	**873,133**	**1,008,256**	**1,059,920**

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City Council's 2016 Priorities, Goals, and Strategies

2016 Commitment

The City Council is committed to engaging the community and being responsible stewards of public resources.

Ongoing Priorities

The City Council is committed to providing high quality and sustainable services for the entire Morgan Hill community. Fundamental to the City Council's success are the ongoing priorities of:

- **Enhancing public safety**
- **Protecting the environment**
- **Maintaining fiscal responsibility**
- **Supporting youth**
- **Fostering a positive organizational culture**
- **Preserving and cultivating public trust**

2016 Focus Areas

In addition to the City Council's priorities, 5 specific focus areas were recognized by the Council that will require significant resources in 2016:

- **Planning our community**
- **Developing our community**
- **Enhancing our services**
- **Improving our communication**
- **Participating in regional initiatives**

Projects and Initiatives

<u>Planning Our Community</u>

- Completing the General Plan Update
- Completing the Zoning Code Update
- Updating the Residential Development Control System
- Creating an Economic Development Blueprint

City Council's 2016 Priorities, Goals, and Strategies (continued)

- Updating the Parks, Recreation, Trails and Bikeways Master Plan
- Developing a Public Safety Master Plan
- Developing the M-West Master Plan
- Completing a Community Development Fund Fee Study
- Updating Utilities Master Plans (Water, Sewer, Stormwater)
- Developing a Station Area Master Plan
- Updating the Downtown Parking Strategy
- Evaluating long-term Housing Administration Strategy
- Creating a Telecommunications Master Plan
- Developing 5-year Urban Water Management Plan
- Reviewing the Police Department Strategic Plan
- Commencing the Library Expansion Design

Developing Our Community

- Advancing the Sports, Recreation, Leisure District
- Implementing the City-wide Agriculture Mitigation Ordinance
- Managing Downtown Park and Trail Development
- Implementing Redevelopment Sites #1 & 4 (Leal Hotel & Market Hall)
- Executing UHC Development Agreement
- Implementing EAH scattered site development
- Constructing a multitude of water and wastewater projects
- Supporting community effort to design and raise funds for an Inclusive Playground
- Completing the public investment in Downtown Placemaking initiatives

Enhancing Our Services

- Transitioning to a 2-year budget cycle
- Completing and implementing Development Services Review recommendations
- Implementing TRAKiT Land Management Software
- Ensuring proper resources are allocated to Downtown Maintenance Services
- Negotiating extension of CALFIRE Partnership Agreement
- Negotiating the Outdoor Sports Center Partnership Agreement

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City Council's 2016 Priorities, Goals, and Strategies (continued)

- Performing a successful recruitment for an experienced City Attorney

Improving Our Communication

- Completing a significant community engagement process relating to community priorities
- Implementing enhancements to our existing communications and engagement efforts
- Enhancing the public's understanding of City decisions and achievements

Participating in Regional Initiatives

- Executing the Community Choice Energy JPA
- Implementing County-wide Interoperability Radio Project – SVRCS
- Participating in County-wide transportation measure discussions
- Working with the High Speed Rail Authority
- Participating in Task Force on Water Efficient New Development
- Participating in County led effort relating to Aging Friendly City designation
- Coordinating City Bikeways, Trails, Parks and Recreation Master Plan Update with Countywide Trails Master Plan
- Providing preferences to house the homeless with Santa Clara County
- Participating in the Santa Clara County Regional Housing Task Force

ADOPTED

Morgan Hill City Council

February 17, 2016

Discretionary Reserves

The schedule below summarizes all discretionary funds projected to be available at June 30, 2016. While a large portion of these funds have been placed into separate funds for designated purposes these monies are available as discretionary funds.

Fund	07/01/15 Beginning Fund Bal	FY 15-16 Year-end Projection	FY 16-17 Projected Fund Bal	FY 17-18 Projected Fund Bal
General Fund	$ 15,016,061	$ 16,346,721	$ 15,107,567	$ 13,462,249
Supplemental Law Enforcement Fund	64,649	53,057	53,322	53,717
Community Rec Centers Startup Fund	296	298	299	301
Employee Assistance Fund	68,129	65,261	54,371	44,090
Park Maintenance Fund	4,931,589	5,415,479	5,528,904	5,483,779
Information Systems Fund*	286,082	288,316	149,867	269,171
Building Maintenance Fund*	37,939	239,255	254,008	281,775
Building Replacement*	2,222,970	2,501,662	1,863,931	1,994,439
Unemployment Insurance Fund*	194,924	176,104	156,935	137,629
Worker's Comp Fund*	820,342	810,948	753,723	708,306
Equipment Replacement Fund*	3,868,573	3,583,563	3,416,309	3,815,616
Employee Benefits Fund*	462,432	980,965	1,637,568	2,003,706
General Liab. Insurance Fund*	811,912	1,065,946	912,627	794,049
Total	**$ 28,785,898**	**$ 31,527,575**	**$ 29,889,431**	**$ 29,048,826**

*Total amounts in these funds are accumulated through contribution from various funds, including the General Fund. Only those amounts from the General Fund would be available to be transferred back to the General Fund. The remaining balances would be credited back to the fund that made the contribution. The General Fund includes anticipated salary savings.

General Fund Five-Year Projections

The General Fund Five-Year Forecast for Fiscal Years 16-17 through 20-21 incorporates all known expenditures throughout the forecast period including all personnel cost increases due to existing Memoranda Of Understanding with represented employees. All negotiated salary and benefit increases, including CalPERS contribution rates, are included in the forecast.

In years that are absent negotiated increases, a general 2.5 percent increase is assumed for all employee services and supply categories.

Revenue estimates are based on assumed growth for all general fund revenues, including property tax, sales tax, and transient occupancy tax (TOT).

Property tax revenue for FY 16-17 and FY 17-18, based on the most recent information provided by the County of Santa Clara, is projected to increase by 10 percent and 12 percent, respectively, compared to the FY15-16 Adopted Budget as newly built housing units are added to the assessor's roll, Proposition 8 temporary reductions granted by the County Assessor's Office during the Great Recession are gradually restored, and property values increase. Subsequent years are estimated to increase by 3%, 3.5%, and 3.5%.

Sales tax revenue, based on most recent analysis done by City sales tax consultant, MuniServices, is estimated to only increase slightly in FY 16-17 and by 5 percent for FY 17-18, compared to Adopted FY15-16, largely due to continued moderate economic growth forecasted for the region and new business growth. Subsequent forecast years assume an average annual growth of approximately 4 percent.

Recreation revenue from membership sales, program registrations, and facility rentals continue to maintain their high levels, with a noticeable increase expected to start in the second half of FY 17-18 due to a scheduled fee increase. To ensure the City has the resources to operate and maintain its recreation facilities, the City's membership rate strategy is to increase rates once every three years (January 2018, 2021, etc). The proposed budget includes rate increases for Aquatic Center daily admission, room rental at Cultural and Community Center (CCC) and Centennial Recreation Center.

Finally, the City continues to experience a high level of revenue from TOT. Based on current year activity levels, TOT is estimated to reach a new high of $2.7 million in FY 16-17 and $2.8 million in FY 17-18 with the increase coming from new hotels such as La Quinta, a 104-room hotel and a planned 60-room boutique hotel in Downtown.

	14-15 Actual	15-16 YE Projection	16-17 Adopted	17-18 Adopted	18-19 Forecast	19-20 Forecast	20-21 Forecast
Beginning Balance	*12,992,903*	*15,016,061*	*16,346,721*	*15,107,567*	*13,462,249*	*12,237,769*	*12,221,753*
Revenues & Trnfrs In	35,120,317	35,986,780	36,200,537	37,137,688	38,952,540	40,204,771	41,503,338
Exps/Trnsfers Out	(33,097,159)	(34,656,119)	(37,439,691)	(38,783,006)	(40,177,020)	(40,220,787)	(41,524,791)
Ending Balance	*15,016,061*	*16,346,721*	*15,107,567*	*13,462,249*	*12,237,769*	*12,221,753*	*12,200,300*
GF Fund Balance/Reserves (%)	**42.8%**	**45.4%**	**41.7%**	**36.2%**	**31.4%**	**30.4%**	**29.4%**

General Fund Five-Year Projections (continued)

REVENUE DETAIL	14-15 Actual	15-16 YE Projection	16-17 Adopted	17-18 Adopted	18-19 Forecast	19-20 Forecast	20-21 Forecast
Property Tax	6,144,469	6,454,000	6,313,000	6,341,000	6,658,000	6,820,000	7,080,000
VLF In-Lieu Property Tax	2,991,194	3,194,000	3,333,000	3,450,000	3,571,000	3,696,000	3,825,000
RDA Pass-Thru	245,013	296,000	315,000	323,000	331,000	341,000	351,000
Sales Tax	8,467,396	9,261,200	9,034,767	9,439,000	10,031,000	10,534,540	10,963,008
Cochrane Comm. Payments (1)	-	-	(95,000)	(145,000)	(145,000)	(150,000)	(150,000)
Other Payments (2)	-	(75,000)	(120,000)	(142,500)	(165,000)	(165,000)	(165,000)
Transient Occupancy Tax	2,062,260	2,400,000	2,684,700	2,827,050	3,215,775	3,296,000	3,378,000
Franchise Fees - GF	1,717,693	1,814,408	1,927,359	1,981,796	2,049,000	2,118,000	2,188,000
Public Safety Sales Tax	323,373	344,330	351,000	362,000	374,000	386,000	398,000
Property Transfer Tax	452,836	457,960	469,000	481,000	493,000	505,000	518,000
Total Taxes	**22,404,234**	**24,146,898**	**24,212,826**	**24,917,346**	**26,412,775**	**27,381,540**	**28,386,008**
Business License	183,857	195,000	198,900	202,878	206,936	211,074	215,296
Other Permits	32,436	32,408	32,574	33,243	33,908	34,586	35,278
Total Licenses/Permits	**216,293**	**227,408**	**231,474**	**236,121**	**240,844**	**245,660**	**250,574**
Parking Enforcement	11,600	10,639	12,000	12,240	12,485	12,734	12,989
Other Fines	73,922	50,000	64,000	65,280	66,586	67,917	69,276
Total Fines/Penalties	**85,521**	**60,639**	**76,000**	**77,520**	**79,070**	**80,652**	**82,265**
Motor Vehicle Fee	16,883	16,857	17,194	17,538	17,889	18,247	18,611
Law Enforcement Grants	729,930	464,756	376,250	267,875	272,775	277,795	282,938
Other	69,213	49,097	79,300	39,000	39,780	40,576	41,387
Total Other Agencies	**816,025**	**530,710**	**472,744**	**324,413**	**330,444**	**336,617**	**342,937**
City Recreation Programs	5,317,450	5,552,511	5,742,573	6,043,649	6,319,356	6,455,693	6,595,176
CCC Rental	871,401	879,250	874,020	932,986	951,646	970,679	990,093
Gen Admin Overhd	1,140,020	1,200,076	1,260,075	1,323,077	1,389,231	1,458,692	1,531,627
Fire Fees	246,831	260,683	268,397	276,165	281,688	287,322	293,068
Other Charges	747,418	657,471	690,305	692,947	705,512	718,348	731,558
Total Current Services	**8,323,120**	**8,549,991**	**8,835,370**	**9,268,824**	**9,647,433**	**9,890,733**	**10,141,521**
Interest Earnings	109,015	76,587	80,585	107,107	125,298	144,377	166,130
Other Rentals	249,789	177,676	188,548	202,290	205,516	208,808	212,165
Miscellaneous	1,246,738	619,554	475,408	348,559	253,301	256,115	258,999
Total Other Revenue	**1,605,542**	**873,817**	**744,541**	**657,956**	**584,115**	**609,300**	**637,294**
Transfer From Park Maint	-	-	-	-	-	-	-
Transfer From Sewer/Water	683,319	685,818	690,000	694,050	696,401	698,811	701,282
Transfer From Public Safety	100,000	112,029	100,000	125,000	125,000	125,000	125,000
Transfers Rec Non GF Activities	50,000	60,000	75,000	75,000	75,000	75,000	75,000
Transfer from Gas Taxes/Sewer/Wa	735,565	739,470	762,581	761,458	761,458	761,458	761,458
Transfers From Other Funds	-	-	-	-	-	-	-
Total Transfers In	**1,568,884**	**1,597,317**	**1,627,581**	**1,655,508**	**1,657,859**	**1,660,269**	**1,662,740**
TOTAL REVENUES	**35,019,620**	**35,986,780**	**36,200,537**	**37,137,688**	**38,952,540**	**40,204,771**	**41,503,338**

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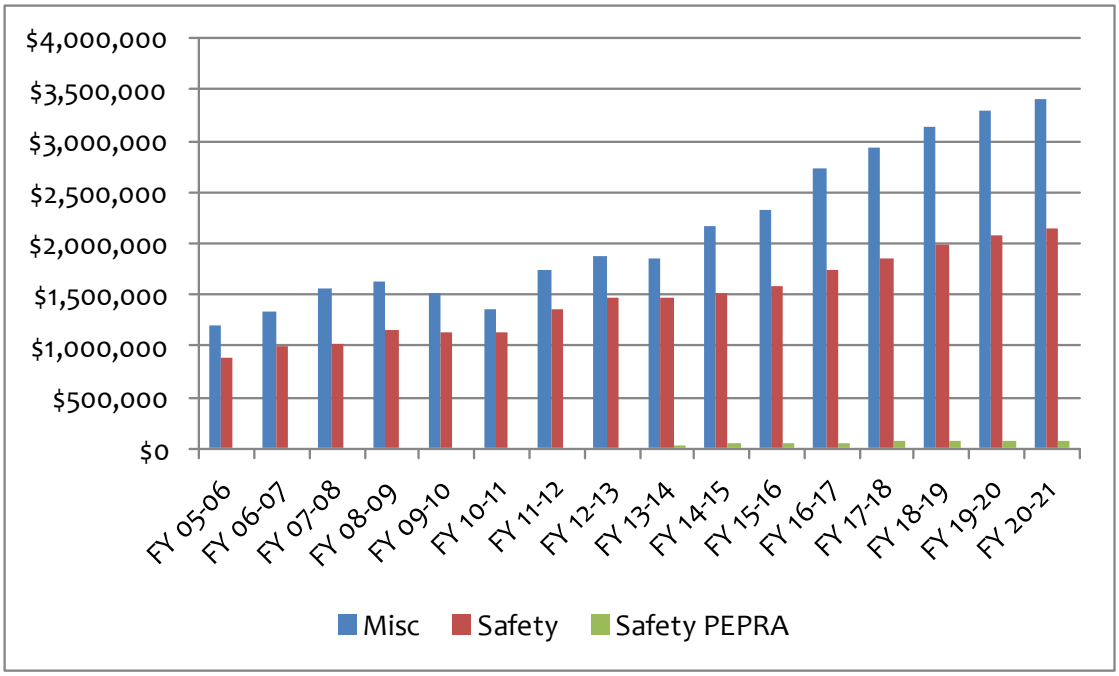
General Fund Five-Year Projections (continued)

EXPENDITURES:	14-15 Actual	15-16 YE Projection	16-17 Adopted	17-18 Adopted	18-19 Forecast	19-20 Forecast	20-21 Forecast
City Council/Clerk	902,214	1,002,969	1,035,764	966,229	1,045,322	1,033,271	1,101,941
City Attorney	501,902	715,771	691,442	732,729	768,847	790,628	811,788
City Manager	371,275	678,076	879,385	997,579	1,016,464	1,045,238	1,070,121
Housing Loan	1,010,000	-	-	-	-	-	-
Recreation and Community Services	6,331,958	6,820,578	7,499,482	7,758,067	8,092,855	8,448,238	8,828,230
Human Resources	578,740	584,323	720,771	709,787	745,309	767,324	788,648
Finance	1,281,316	1,481,141	1,535,461	1,610,125	1,693,747	1,741,539	1,788,174
Code Compliance	-	-	135,689	141,628	148,558	153,607	158,568
Environmental Programs	199,887	327,881	270,064	277,102	286,783	294,176	301,452
Street Maintenance	2,633,380	1,975,763	2,064,401	2,131,389	2,197,114	2,244,678	2,306,449
Congestion Management	70,032	71,705	75,219	77,569	80,582	82,834	85,043
Police	13,168,863	14,005,863	15,056,891	15,454,039	16,054,115	16,539,143	17,008,951
Police Debt Service	214,613	216,463	176,139	178,912	176,729	176,729	176,493
Fire	4,842,533	4,912,935	5,288,996	5,773,473	5,961,429	6,171,935	6,365,217
Downtown Maintenance	22,584	50,500	241,610	273,020	281,655	288,925	296,197
Cable TV	49,236	44,875	48,258	49,444	50,954	52,201	53,442
Park Maintenance	(9,524)	-	-	-	-	-	-
Total Department Exp	**32,169,009**	**32,888,842**	**35,719,572**	**37,131,091**	**38,600,461**	**39,830,463**	**41,140,715**
Transfer Out - 232	51,452	56,930	78,690	81,951	85,387	87,907	90,378
Transfer Out - 302	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Transfer Out - 790 Eqpmt Replacement	-	130,000	290,000	290,000	290,000	-	-
Transfer Out - 206	129,291	-	-	-	-	-	-
Transfer Out - 207 (Gen Plan Update)	35,717	-	23,100	23,100	23,100	23,100	23,100
Transfer Out - 740 (Bldg Maintenance)	124,013	397,870	9,781	10,028	10,329	10,639	10,958
Transfer Out - 741 (Future Replacement	27,677	28,507	29,362	30,243	31,150	32,085	33,047
Transfer Out - OPEB/PERs Rate Stabiliza	110,000	266,959	333,186	166,593	166,593	166,593	166,593
Transfer Out - 355 (Sch Ped. & Traffic Sal	-	-	100,000	100,000	20,000	20,000	20,000
Transfer Out - 650 Water Op	-	33,036	-	-	-	-	-
Transfer Out - 215 (CDBG)	-	3,975	-	-	-	-	-
Transfer Out - 308	250,000	750,000	1,000,000	1,000,000	1,000,000	250,000	250,000
Total Transfers Out	**928,150**	**1,867,277**	**2,064,119**	**1,901,915**	**1,826,559**	**790,324**	**794,076**
TOTAL EXPENDITURES	**33,097,159**	**34,756,119**	**37,783,691**	**39,033,006**	**40,427,020**	**40,620,787**	**41,934,791**
Salary Savings (3)			**(294,000)**	**(250,000)**	**(250,000)**	**(400,000)**	**(410,000)**
TOTAL EXPENDITURES	**33,097,159**	**34,756,119**	**37,489,691**	**38,783,006**	**40,177,020**	**40,220,787**	**41,524,791**

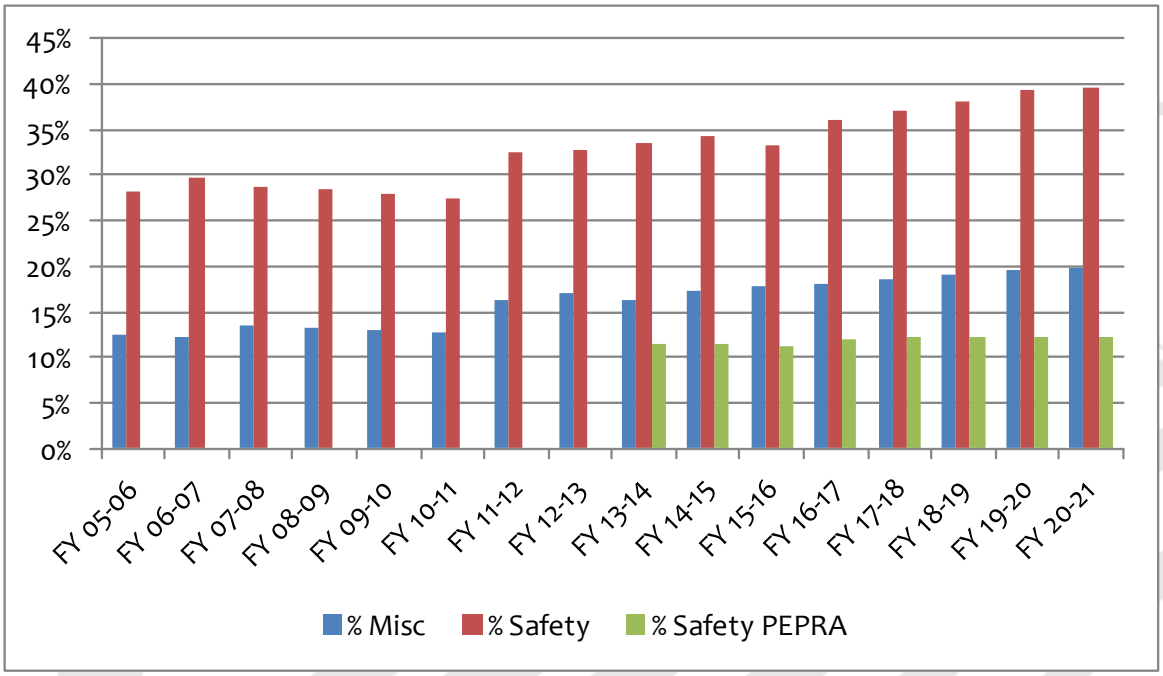
(1) Amounts paid from sales taxes to various City impact funds for fees for Cochrane Commons retail center development agreement.
(2) Amounts paid to several businesses under sales tax sharing agreements.
(3) Salary Savings based on three-year average for budgeted vs. actual savings.

Public Employees Retirement System (PERS)

PERS Historical and Projected Costs (Does not include employee's share of employer rate)

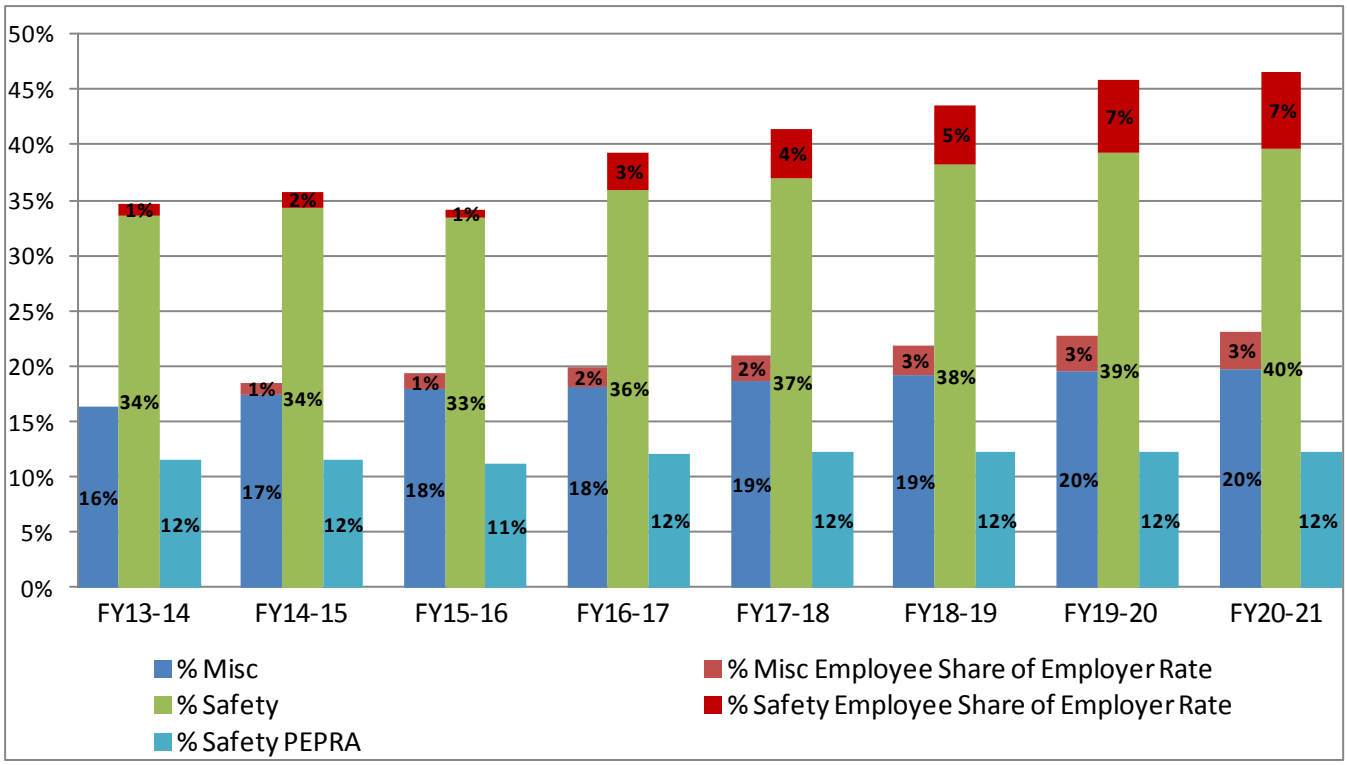


PERS Historical and Projected Rates (Does not include employee's share of employer rate)

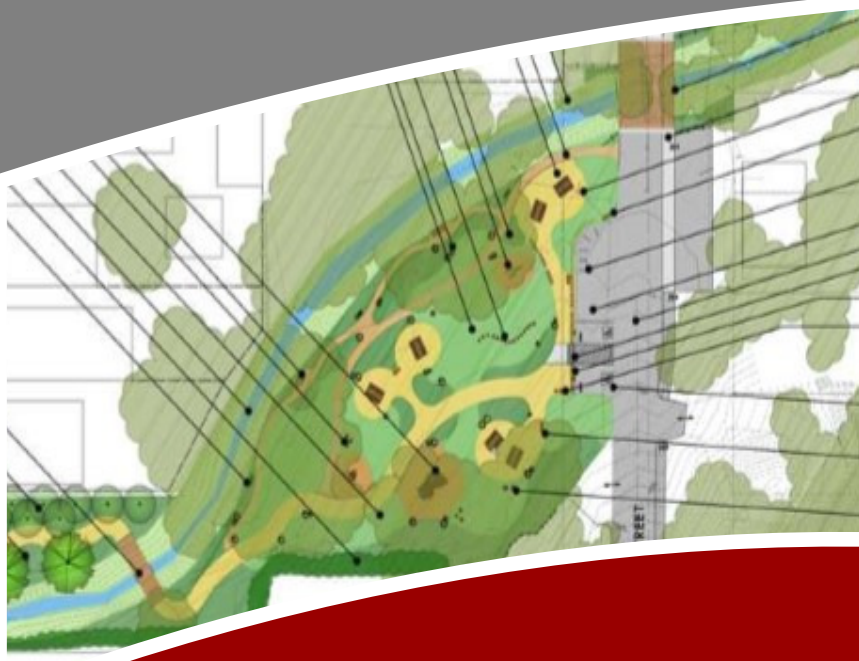


Public Employees Retirement System (PERS) (continued)

As a result of the 2013 labor negotiations and the Council adopted Management Resolution and Council-Appointed Officer contracts, all City employees now equally share any annual increases to the City's retirement (CalPERS) contribution rates. The chart below shows the CalPERS' employers required contribution rates and employee's share of employer rates:



Morgan Hill, California



Adopted Capital Improvement Program

Fiscal Years 2016-17 through 2021-22

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Capital Improvement Program
FY 2016-17 through FY 2021-22

Pg #	Project Number - Name	Pg #	Project Number - Name
			Wastewater
3	Capital Improvement Program Overview	64	302000 - Sanitary Sewer Rehabilitation
5	Budget Summary	66	303093 - Sewer Plant Expansion (SCRWA)
		68	303a11 - Sewer Plant Improvements
	Parks & Recreation	70	304000 - Lift Station Improvements
14	110097 - Parks Land Purch. and Development	72	308a08 - New Trunk Line
16	117001 - West Little Llagas Creek Trail	74	315006 - New Sewer Mains
18	132008 - El Toro Trail		
20	135013 - Downtown Parks		**Water**
22	136014 - Parks Master Plan Update	76	601000 - New Well Property/Construction
24	137015 - Inclusive Playground	78	602000 - New Water Reservoirs
26	138016 - Centennial Rec Center Expansion	80	603000 - New Water Mains
28	139016 - Sports Facilities Parking Lots	82	607000 - Booster Pump Rehabilitation
30	140016 - Agricultural Preservation	84	608000 - Rehabilitate Water Wells
32	141016 - Galvan Park Improvements	86	610000 - Water Main Replacement
		88	620007 - Recoat Water Reservoir/Tank
	Public Facilities	90	623014 - Water Supply Planning
34	251015 - Library Expansion	92	625016 - Well Demolition and Abandonment
36	252016 - Corporation Yard Long Term Plan		
		95	**Use of CIP Fund for CIP Projects / Pro Forma**
	Storm Drainage	96	215 - CDBG
38	415097 - Storm Pipe Installation	97	301 - Park Impact
40	417099 - Llagas Flood Control	99	302 - Park Maintenance
		100	303 - Local Drainage Impact
	Streets & Roads	101	304 - Local Drainage/Non AB 1600
42	502000 - New Signal Construction	102	306 - Agriculture & Open Space Preservation
44	512093 - Underground Monterey Utilities	103	308 - Street CIP
46	519000 - Pavement Rehabilitation Program	105	309 - Traffic Impact
48	546007 - Hale Avenue Extension	107	313 - Fire Impact
50	551008 - RDCS School Safety Improvements	108	346 - Public Facilities/Non-AB 1600
52	561012 - Monterey Road Medians	109	347 - Public Facilities Impact
54	563013 - Assessment District - Streets	111	348 - Library Impact
56	568014 - Parking Lot Maint. & Rehabilitation	112	350 - Undergrounding
58	570014 - Charging Stations - CCC/AC/CRC	113	355 - School Pedestrian & Traffic Safety
60	574015 - Sidewalk Repairs	114	360 - Com/Rec Ctr Impact
62	575015 - Intersection Capacity Analysis	115	641 - Sewer Impact
		117	643 - Sewer Capital Project
		119	651 - Water Impact
		121	653 - Water Capital Project
		123	**Needed-But-Not-Funded Projects**

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CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The Capital Improvement Program (CIP) is the primary tool that local governments use to plan for major capital projects and acquisitions. It identifies major capital needs over a multiyear forecast period and reflects the overall priorities of the City. The CIP focuses on large capital projects and acquisitions with long useful lives that have significant impact on the health, safety, and vibrancy of the community. Expenditures typically address one-time needs as opposed to the City's operations budget which addresses ongoing, year to year needs.

This is the first year of the transition to a two year operating budget cycle and six year CIP. The biennial budget consists of two separate budgets that the Council will consider for adoption. Prior to the conclusion of the first annual budget, the Council will be provided an update on revenue assumptions, fund balances, and possible amendments to the second year annual budget. A sixth year has been added to the CIP to ensure a five year spending plan is maintained. In conjunction with the biennial operations budget, the City Council also approves the first two years of the six years CIP budget.

The CIP is intended to address the following multi-faceted infrastructure needs of the City:

- Parks and Recreation: Fields, landscaping, lighting, irrigation, and recreational amenities
- Public Facilities: Community, public safety, recreation and civic facilities
- Wastewater: Collection pipes, lift stations, and trunk lines
- Storm Drainage: Inlet structures, pipelines, channels and basins
- Streets & Roads: Sidewalks, ramps, street lights, traffic signals and signs
- Water: Wells, pipelines, storage tanks (also called reservoirs), and pumping stations

The six-year CIP is a long-term spending plan that requires forecasting what the infrastructure needs for the City will be and forecasting the revenues needed to fund those needs. Morgan Hill has a wide variety of funding sources for CIP projects, some steady and predictable while others are dependent on outside agencies. For instance, the City receives monies annually from the State to help fund road repair projects. Also, a portion of the water and wastewater bills paid by residents and businesses (franchise fees) go towards capital projects that keep the water and wastewater systems in good repair and functioning efficiently.

New development in Morgan Hill, be it residential homes or commercial and industrial buildings, is required to pay impact fees to the City, which goes towards the new and future infrastructure that will be needed as the City grows. Impact fees pay for the impact the new development's presence will have on the City. New development pays the following impact fees: streets, water, wastewater, drainage, police, fire, parks, library, and public facilities. These impact fees can only be used to build new infrastructure and facilities and cannot be used for ongoing maintenance or operations.

FY 2016-17 & FY 2017-18 CAPITAL IMPROVEMENT PROJECTS AND FUNDING

When the City Council adopts the six-year CIP, it is doing two things. First, it is approving the six-year spending plan for all capital projects. Second, it is appropriating funds for the first two fiscal years of that plan, in this case FY 2016-17 and FY 2017-18. These appropriations are very important in that it authorizes City staff to spend those CIP funds on the approved projects in those fiscal years.

The recommended FY 2016-17 through FY 2021-22 CIP totals $107.4 million. The project categories include 1) Parks & Recreation ($20.6 million), 2) Public Facilities ($3.6 million), 3) Storm Drainage ($6.1 million), 4) Streets & Roads

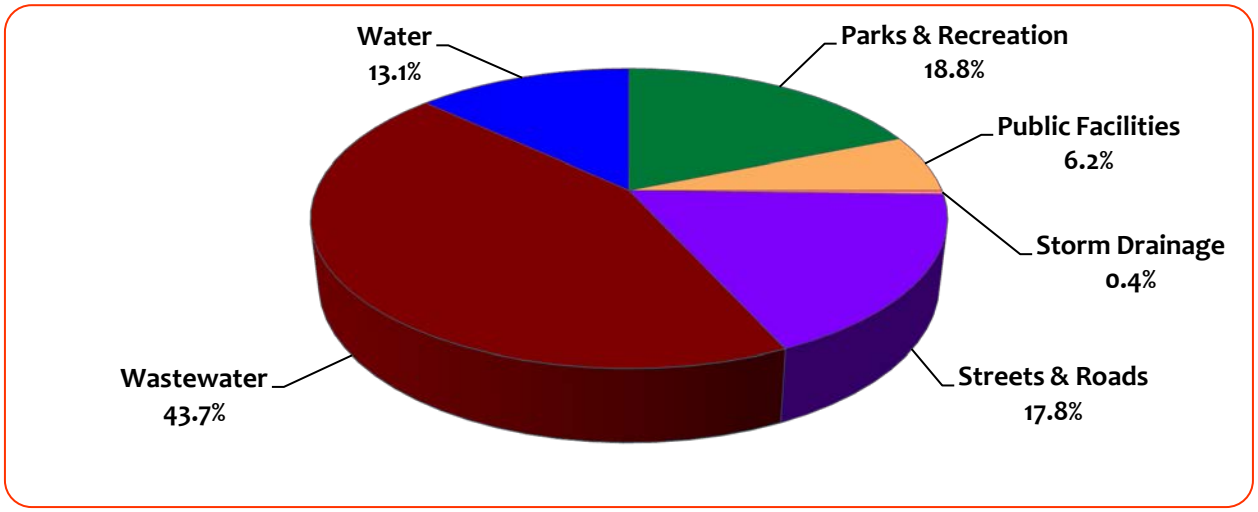
($16.5 million), 5) Wastewater ($44.9 million), and 6) Water ($15.7 million).

FY 2016-17 and FY 2017-18 CIP are appropriated as part of the FY 2016-18 Biennial Budget approval process and they total $57.4 million.

Some of the project highlights include the following:

- Downtown Parks ($4.1 million): Create parks and trails in the Downtown that are integrated as part of Downtown revitalization.
- Library Expansion ($3.4 million): Design and construction for the expansion and improvement of the Morgan Hill Library that includes space modification and improvements.
- Pavement Rehabilitation Program ($3.3 million): Ongoing program to address the City's pavement rehabilitation needs.
- Hale Avenue Extension ($3.9 million): The extension would provide relief for congestion along Monterey Road through the Downtown and relief for the residential areas west of the Downtown. It is important to note that the majority of project funding will need to be secured prior to commencing construction.
- Sewer Plant Improvement ($1.3 million) and Sewer Plant Expansion Project ($2.0 million): These projects are for the City's 41.9 percent share of the improvement and expansion costs at the South County Regional Wastewater Authority (SCRWA) treatment plant which is co-owned with the City of Gilroy.
- New Well Property/Construction ($2.0 million) and New Water Reservoirs ($2.7 million): New water wells are required to meet the City's water supply needs as Morgan Hill grows and to provide the necessary reliability during drought conditions. New reservoirs are needed to increase storage capability and assist meeting peak demand levels.

FY 2016-17 and FY 2017-18 Budget by Project Category



BUDGET SUMMARY

Project Categories	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
1 Parks & Recreation	$6,801,000	$3,980,000	$5,120,000	$1,715,000	$1,955,000	$1,070,000	$20,641,000
2 Public Facilities	$255,000	$3,330,000					$3,585,000
3 Storm Drainage	$50,000	$170,000	$2,490,000	$2,940,000	$250,000	$150,000	$6,050,000
4 Streets & Roads	$4,990,000	$5,240,000	$2,575,000	$1,015,000	$1,645,000	$1,020,000	$16,485,000
5 Wastewater	$9,457,000	$15,642,000	$6,009,000	$4,483,000	$4,690,000	$4,684,000	$44,965,000
6 Water	$7,001,000	$500,000	$1,235,000	$2,955,000	$1,250,000	$2,740,000	$15,681,000
Totals	**$28,554,000**	**$28,862,000**	**$17,429,000**	**$13,108,000**	**$9,790,000**	**$9,664,000**	**$107,407,000**

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
215 - CDBG: Parks & Recreation	$70,000						$70,000
301 - Park Impact: Parks & Recreation	$5,161,000	$2,585,000	$2,050,000	$70,000	$70,000	$70,000	$10,006,000
303 - Local Drainage Impact: Storm Drainage		$20,000	$2,340,000	$2,790,000	$100,000		$5,250,000
304 - Local Drainage/Non AB 1600: Storm Drainage	$50,000	$150,000	$150,000	$150,000	$150,000	$150,000	$800,000
306 - Agriculture & Open Space Preservation: Parks & Recreation	$1,320,000	$1,235,000	$1,000,000	$1,500,000	$1,000,000	$1,000,000	$7,055,000
308 - Street CIP: Streets & Roads	$2,700,000	$1,345,000	$1,350,000	$605,000	$610,000	$610,000	$7,220,000
309 - Traffic Impact: Streets & Roads	$995,000	$2,985,000	$150,000				$4,130,000
346 - Public Facilities/Non-AB 1600: Streets & Roads	$305,000	$40,000	$520,000	$40,000	$580,000	$40,000	$1,525,000
347 - Public Facilities Impact: Public Facilities	$140,000						$140,000
347 - Public Facilities Impact: Streets & Roads	$290,000		$85,000		$85,000		$460,000

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
348 - Library Impact: Public Facilities	$115,000	$3,330,000					$3,445,000
355 - School Pedestrian & Traffic Safety: Parks & Recreation	$250,000						$250,000
355 - School Pedestrian & Traffic Safety: Streets & Roads	$685,000	$870,000	$470,000	$370,000	$370,000	$370,000	$3,135,000
360 - Com/Rec Ctr Impact: Parks & Recreation		$160,000	$2,070,000	$145,000	$885,000		$3,260,000
641 - Sewer Impact: Wastewater	$4,497,000	$11,405,000	$5,079,000	$3,303,000	$2,984,000	$3,421,000	$30,689,000
643 - Sewer Capital Project: Streets & Roads	$8,000						$8,000
643 - Sewer Capital Project: Wastewater	$4,960,000	$4,237,000	$930,000	$1,180,000	$1,706,000	$1,263,000	$14,276,000
651 - Water Impact: Water	$3,867,000	$100,000	$300,000	$1,390,000	$250,000	$340,000	$6,247,000
653 - Water Capital Project: Streets & Roads	$7,000						$7,000
653 - Water Capital Project: Water	$3,134,000	$400,000	$935,000	$1,565,000	$1,000,000	$2,400,000	$9,434,000
Totals	**$28,554,000**	**$28,862,000**	**$17,429,000**	**$13,108,000**	**$9,790,000**	**$9,664,000**	**$107,407,000**

Parks & Recreation

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
110097 - Parks Land Purchase and Development	$180,000	$2,150,000	$2,050,000	$70,000	$70,000	$70,000	$4,590,000
117001 - West Little Llagas Creek Trail	$650,000	$435,000					$1,085,000
132008 - El Toro Trail	$320,000	$235,000					$555,000
135013 - Downtown Parks	$4,051,000						$4,051,000
136014 - Parks Master Plan Update	$20,000						$20,000
137015 - Inclusive Playground	$300,000						$300,000
138016 - Centennial Recreation Center Expansion		$160,000	$2,070,000				$2,230,000
139016 - Sports Facilities Parking Lots	$25,000			$645,000	$885,000		$1,555,000
140016 - Agricultural Preservation	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$6,000,000
141016 - Galvan Park Improvements	$255,000						$255,000
Totals	**$6,801,000**	**$3,980,000**	**$5,120,000**	**$1,715,000**	**$1,955,000**	**$1,070,000**	**$20,641,000**

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
215 - CDBG	$70,000						$70,000
301 - Park Impact	$5,161,000	$2,585,000	$2,050,000	$70,000	$70,000	$70,000	$10,006,000
306 - Agriculture & Open Space Preservation	$1,320,000	$1,235,000	$1,000,000	$1,500,000	$1,000,000	$1,000,000	$7,055,000
355 - School Pedestrian & Traffic Safety	$250,000						$250,000
360 - Com/Rec Ctr Impact		$160,000	$2,070,000	$145,000	$885,000		$3,260,000
Totals	**$6,801,000**	**$3,980,000**	**$5,120,000**	**$1,715,000**	**$1,955,000**	**$1,070,000**	**$20,641,000**

Public Facilities

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
251015 - Library Expansion	$115,000	$3,330,000					$3,445,000
252016 - Corporation Yard Long Term Plan	$140,000						$140,000
Totals	**$255,000**	**$3,330,000**					**$3,585,000**

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
347 - Public Facilities Impact	$140,000						$140,000
348 - Library Impact	$115,000	$3,330,000					$3,445,000
Totals	**$255,000**	**$3,330,000**					**$3,585,000**

Storm Drainage

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
415097 - Storm Pipe Installation	$50,000	$150,000	$150,000	$150,000	$150,000	$150,000	$800,000
417099 - Llagas Flood Control		$20,000	$2,340,000	$2,790,000	$100,000		$5,250,000
Totals	**$50,000**	**$170,000**	**$2,490,000**	**$2,940,000**	**$250,000**	**$150,000**	**$6,050,000**

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
303 - Local Drainage Impact		$20,000	$2,340,000	$2,790,000	$100,000		$5,250,000
304 - Local Drainage/Non AB 1600	$50,000	$150,000	$150,000	$150,000	$150,000	$150,000	$800,000
Totals	**$50,000**	**$170,000**	**$2,490,000**	**$2,940,000**	**$250,000**	**$150,000**	**$6,050,000**

Streets & Roads

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
502000 - New Signal Construction	$250,000		$480,000		$540,000		$1,270,000
512093 - Underground Monterey Utilities	$40,000						$40,000
519000 - Pavement Rehab. Program	$1,995,000	$1,345,000	$1,350,000	$605,000	$610,000	$610,000	$6,515,000
546007 - Hale Avenue Extension	$915,000	$2,985,000	$150,000				$4,050,000
551008 - RDCS School Safety Improvements	$345,000	$530,000	$390,000	$290,000	$290,000	$290,000	$2,135,000
561012 - Monterey Road Medians	$40,000						$40,000
563013 - Assessment District - Streets	$705,000						$705,000
568014 - Parking Lot Maint & Rehabilitation	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000	$240,000
570014 - Charging Stations - CCC/AC/CRC	$290,000		$85,000		$85,000		$460,000
574015 - Sidewalk Repairs	$340,000	$340,000	$80,000	$80,000	$80,000	$80,000	$1,000,000
575015 - Intersection Capacity Analysis	$30,000						$30,000
Totals	**$4,990,000**	**$5,240,000**	**$2,575,000**	**$1,015,000**	**$1,645,000**	**$1,020,000**	**$16,485,000**

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
308 - Street CIP	$2,700,000	$1,345,000	$1,350,000	$605,000	$610,000	$610,000	$7,220,000
309 - Traffic Impact	$995,000	$2,985,000	$150,000				$4,130,000
346 - Public Facilities/Non-AB 1600	$305,000	$40,000	$520,000	$40,000	$580,000	$40,000	$1,525,000
347 - Public Facilities Impact	$290,000		$85,000		$85,000		$460,000
355 - School Ped & Traffic Safety	$685,000	$870,000	$470,000	$370,000	$370,000	$370,000	$3,135,000
643 - Sewer Capital	$8,000						$8,000
653 - Water Capital	$7,000						$7,000
Totals	**$4,990,000**	**$5,240,000**	**$2,575,000**	**$1,015,000**	**$1,645,000**	**$1,020,000**	**$16,485,000**

Wastewater

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
302000 - Sanitary Sewer Rehabilitation	$924,000	$3,537,000	$850,000	$1,100,000	$600,000	$1,250,000	$8,261,000
303093 - Sewer Plant Expansion (SCRWA)	$693,000	$1,279,000	$4,152,000	$3,053,000	$1,684,000	$421,000	$11,282,000
303a11 - Sewer Plant Improvements	$1,183,000	$80,000	$80,000	$80,000	$230,000	$13,000	$1,666,000
304000 - Lift Station Improvements	$3,182,000	$1,986,000	$200,000	$250,000	$1,676,000		$7,294,000
308a08 - New Trunk Line	$2,645,000	$7,691,000	$127,000		$500,000	$3,000,000	$13,963,000
315006 - New Sewer Mains	$830,000	$1,069,000	$600,000				$2,499,000
Totals	**$9,457,000**	**$15,642,000**	**$6,009,000**	**$4,483,000**	**$4,690,000**	**$4,684,000**	**$44,965,000**

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
641 - Sewer Impact	$4,497,000	$11,405,000	$5,079,000	$3,303,000	$2,984,000	$3,421,000	$30,689,000
643 - Sewer Capital Project	$4,960,000	$4,237,000	$930,000	$1,180,000	$1,706,000	$1,263,000	$14,276,000
Totals	**$9,457,000**	**$15,642,000**	**$6,009,000**	**$4,483,000**	**$4,690,000**	**$4,684,000**	**$44,965,000**

Water

Project Title	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
601000 - New Well Property/Construction	$1,963,000			$1,140,000		$90,000	$3,193,000
602000 - New Water Reservoirs	$2,720,000				$370,000		$3,090,000
603000 - New Water Mains	$1,325,000		$200,000	$200,000	$200,000	$200,000	$2,125,000
607000 - Booster Pump Rehabilitation	$313,000					$1,100,000	$1,413,000
608000 - Rehabilitate Water Wells	$580,000			$630,000			$1,210,000
610000 - Water Main Replacement			$735,000	$735,000	$430,000	$1,100,000	$3,000,000
620007 - Recoat Water Reservoir/Tank						$200,000	$200,000
623014 - Water Supply Planning	$100,000	$100,000	$300,000	$250,000	$250,000	$50,000	$1,050,000
625016 - Well Demolition and Abandonment		$400,000					$400,000
Totals	**$7,001,000**	**$500,000**	**$1,235,000**	**$2,955,000**	**$1,250,000**	**$2,740,000**	**$15,681,000**

Project Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
651 - Water Impact	$3,867,000	$100,000	$300,000	$1,390,000	$250,000	$340,000	$6,247,000
653 - Water Capital Project	$3,134,000	$400,000	$935,000	$1,565,000	$1,000,000	$2,400,000	$9,434,000
Totals	**$7,001,000**	**$500,000**	**$1,235,000**	**$2,955,000**	**$1,250,000**	**$2,740,000**	**$15,681,000**

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Project	Parks Land Purchase and Development	Project No.	110097
Category	Parks & Recreation	**Department**	Community Services
Council Priorities	Protecting the Environment, Supporting Youth	**Location**	Citywide

Project Description

Purchase of land for future parks as identified in the Parks, Facilities and Recreation Programming Master Plan and the General Plan. In 2015, the City acquired property for future development of a 23 acre softball and baseball field complex at the corner of Tennant and Condit. The City parkland purchase and development priorities include: development of park space on School District property on Peet Road (FY 17/18), purchase of additional park space adjacent to City sports facilities on Condit Road (FY 18/19), and acquisition and development of a neighborhood park space (FY 18/19).

The additional park space on Condit Road would provide additional parking space for major events through a lease with an option to purchase. It is anticipated the lease would begin before the conclusion of FY 15/16. Lease payments would be $100,000 per year with a portion of payment going towards the purchase. This project accounts for the option to purchase being executed in FY 18/19. Since this site and the Ball Field site are located in the County payment of property taxes for both sites are accounted for in this project. Amounts in Property Acquisition account in FY 19/20 - FY 21/22 are solely for property taxes.

If the Morgan Hill Unified School District formally acquires the property off of Peak Avenue the City intends to support the development of park amenities at the school site. $2 million is allocated for FY 17/18 for development of this park space. The City will work with the MHUSD to master plan the site and develop a joint use agreement prior to committing funds. Should this project not materialize the funds would be spent on other projects as

identified through Parks and Recreation Master Plan Update.

The City is currently updating is Master Plan for parks. Other Park acquisition and development projects will be identified and prioritized through that planning process, which is anticipated to be completed in the Fall of 2016.

Project Justification

Acquiring property for new parks helps ensure an adequate parks inventory in the future and is a required element of the Parks Master Plan.

Expenditure Schedule & Category

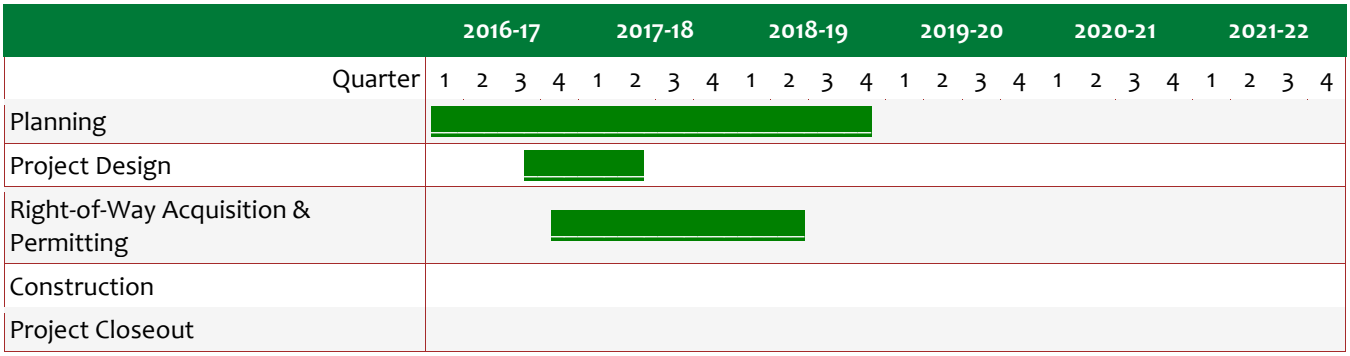
Parks & Recreation: 110097

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86120 - Property Acquisition	$150,000	$150,000	$2,050,000	$70,000	$70,000	$70,000
86360 - Construction	$30,000	$2,000,000				
PROJECT COST	**$180,000**	**$2,150,000**	**$2,050,000**	**$70,000**	**$70,000**	**$70,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	$180,000	$2,150,000	$2,050,000	$70,000	$70,000	$70,000
FUNDING TOTALS	**$180,000**	**$2,150,000**	**$2,050,000**	**$70,000**	**$70,000**	**$70,000**

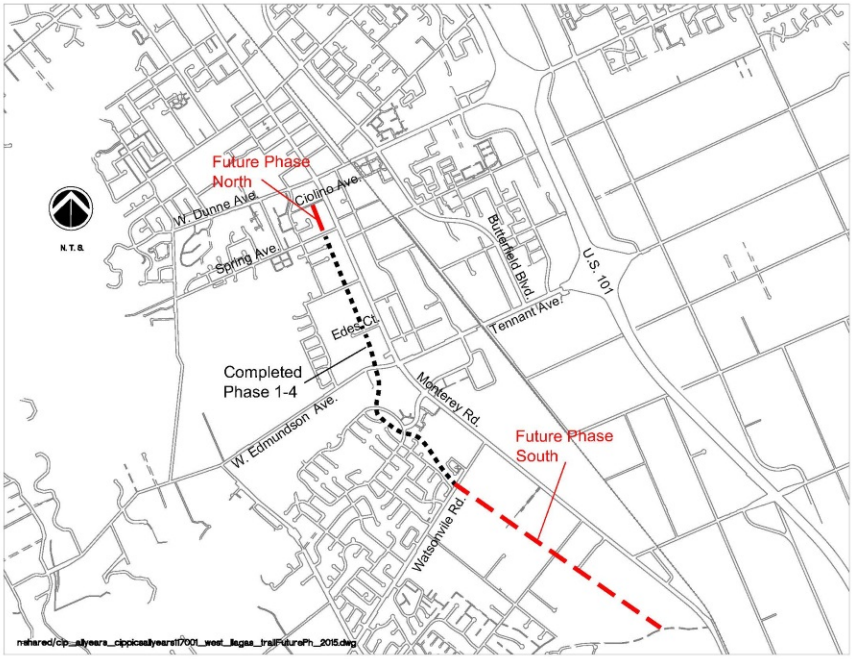
Estimated Project Schedule



Operating Cost Impacts

No new operations costs are incurred prior to development if other alternate uses, such as farming, can be identified. Without an alternate use, annual cost to abate weeds would be approximately $125 per acre. Property land banked in the County for future City use requires payment of property taxes. New park development will require additional funds for maintenance, new funding levels will be dependent on the size and amenities developed within each park.

Project	West Little Llagas Creek Trail	Project No.	117001
Category	Parks & Recreation	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Supporting Youth	**Location**	Along West Little Llagas Creek



Project Description

Project provides for a continuous Class 1 pedestrian pathway along the West Little Llagas Creek Trail from the City's Downtown south to the future Silveira Park wetlands area. The alignment of this trail will follow the Upper Llagas Flood Control project taking advantage of the maintenance roads required for that project. The scope includes a meandering asphalt pathway, including trees, benches, lit crosswalks (where necessary at street crossings), and interpretive landmarks and signage (where appropriate). The two reaches remaining are: 1) Watsonville Road to Silveira Park wetlands area, FY 16/17, 2) Spring Avenue to the Downtown core, FY 17/18.

Completion of the northern and southern portions of the project cannot commence until the Santa Clara Valley Water District (District) completes the Upper Llagas Flood Control project in those areas. The City continues to coordinate efforts with the District on this project and on the future recreation amenities. The southern portion is projected to happen in 2017 and the northern portion in 2019. Funding for this reach will come from grants and Park Impact Funds.

Project Justification

The adopted Parks, Facilities and Recreational Facilities Master Plan calls for installation, where possible, of bike and pedestrian trails along all creeks and channels. In addition, the adopted Trails Master Plan calls for a paved trail along the West Little Llagas Creek.

Expenditure Schedule & Category

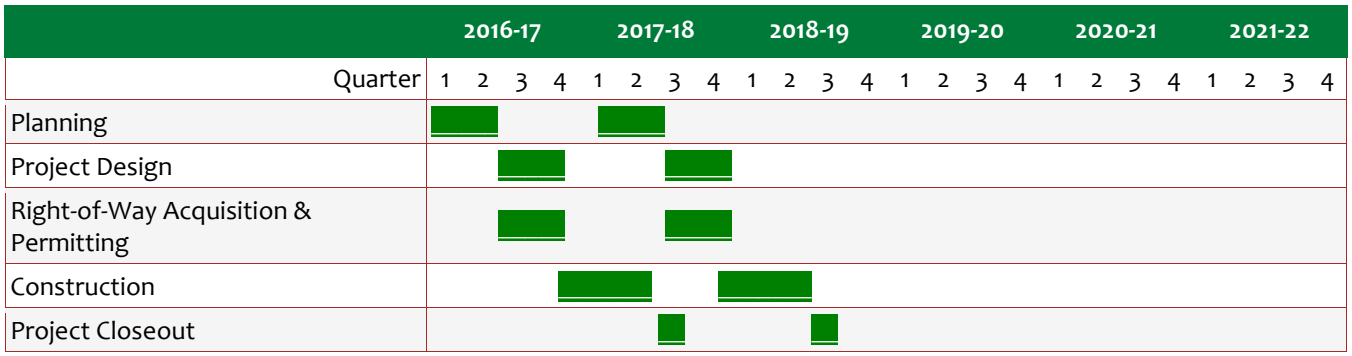
Parks & Recreation: 117001

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86121 - Right-of-Way Acquisition		$250,000				
86201 - Environmental Clearances	$10,000					
86220 - Architecture and Design	$60,000	$20,000				
86360 - Construction	$550,000	$150,000				
86530 - Project Implementation	$30,000	$15,000				
PROJECT COST	**$650,000**	**$435,000**				

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	$650,000	$435,000				
FUNDING TOTALS	**$650,000**	**$435,000**				

Estimated Project Schedule



Operating Cost Impacts

This facility will increase Park Maintenance operating costs in the General Fund by approximately $1,000 annually for landscape maintenance, weed control, tree trimming, utilities, occasional trail minor repair work, graffiti/vandalism and repair/replacement of trail benches. It is expected that significant pavement repairs will be required on a 20-year cycle.

Project	El Toro Trail	Project No.	132008
Category	Parks & Recreation	**Department**	PWD & CSD
Council Priorities	Protecting the Environment, Supporting Youth	**Location**	El Toro Mountain

Project Description

This project will provide a non-paved public trail (meeting City Trail Study guidelines) on El Toro Mountain. On February 4, 2015, Council approved an "Access Strategy", which details a primary access to El Toro Mountain near the DeWitt/Spring intersection. Staff will continue to address concerns raised by the public, such as parking, safety, etc. The Open Space Authority (OSA) has acquired lands to the south of El Toro Mountain and intends to provide a trail on that property. Currently, neither the City nor the OSA has property rights encircling the El Toro summit area which would be required to provide a trail all the way to the top. The City and OSA will partner to develop the trail. Both agencies will assist with the acquisition, design, and construction. The City could potentially purchase property rights using Open Space funds.

Project Justification

Per Trails Master Plan and community input.

Expenditure Schedule & Category

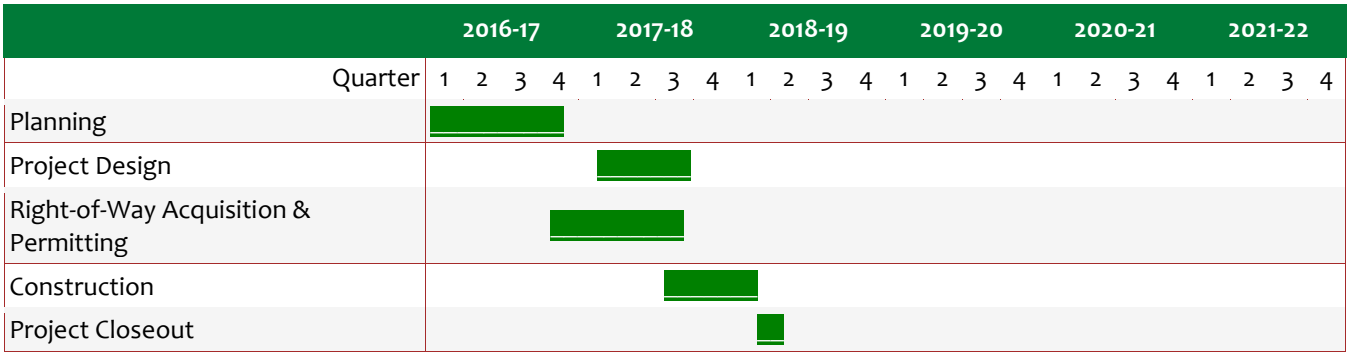
Parks & Recreation: 132008

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86120 - Property Acquisition	$300,000					
86201 - Environmental Clearances		$40,000				
86220 - Architecture and Design		$25,000				
86360 - Construction		$150,000				
86530 - Project Implementation	$20,000	$20,000				
PROJECT COST	**$320,000**	**$235,000**				

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f306 - Agriculture & Open Space Preservation	$320,000	$235,000				
FUNDING TOTALS	**$320,000**	**$235,000**				

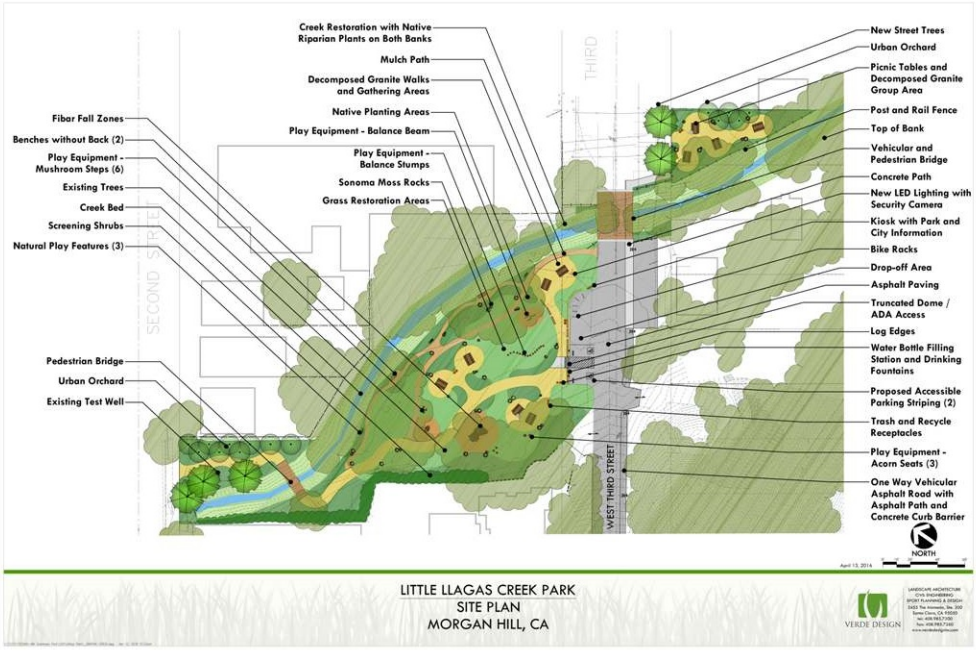
Estimated Project Schedule



Operating Cost Impacts

This facility will increase Park Maintenance operating costs in the General Fund by approximately $3,000 annually for litter removal, trash collection, and minor trail repair work in the areas near the trailhead. This estimate assumes that volunteers will participate in trail maintenance and litter collection in the upper reaches of the trail.

Project	Downtown Parks	Project No.	135013
Category	Parks & Recreation	**Department**	PWD & CSD
Council Priorities	Enhancing Public Safety, Supporting Youth	**Location**	Downtown Morgan Hill



Project Description

The goal of this project is to create parks and trails that are integrated into the Downtown. This project will build upon the Downtown Specific Plan and the 2012 Downtown Park Visioning process. In FY 14/15, a significant amount of community engagement was conducted for the potential sites for trails and parks in the downtown area. This process was integrated with the discussion with the community for the overall downtown streetscape project. Three park areas were designated, including:

1. Depot Street Park: Located on a portion of the Depot Street parking lot.
2. Downtown Creek Park: Located on City owned land west of Monterey Road on Third Street.
3. Hilltop Trail: Located on City owned land adjacent to the Nob Hill water reservoir.

The parks will contain both active and passive elements. At the Depot Street Park the park will focus on play equipment for youth of various ages. The Downtown Creek Park will be more passive in nature and include benches, paths and other natural elements. The Hill Top Trail will provide additional amenities including par course equipment, viewing stations and slides.

A Housing Related Parks Grant from the State of California in the amount of $1,380,000 was awarded in 2015 for this project. The City has submitted for additional grant funds for this project in 2016 and notification of award will occur in June 2016, but anticipates receiving an additional $600,000; the total grant funding is $1,980,000. Use of the Pedestrian Safety Fund for a portion of this project will support developing a safe route for students

traveling north to Britton Middle School.

Project Justification

The City Council has made revitalization of the downtown through implementation of the Downtown Specific Plan one of its priorities. The Downtown currently lacks green park spaces and construction of these parks will support the Downtown Placemaking Investment Strategy.

Expenditure Schedule & Category

Parks & Recreation: 135013

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86120 - Property Acquisition	$126,000					
86201 - Environmental Clearances	$75,000					
86220 - Architecture and Design	$50,000					
86360 - Construction	$3,600,000					
86530 - Project Implementation	$200,000					
PROJECT COST	**$4,051,000**					

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	$3,801,000					
f355 - School Pedestrian & Traffic Safety	$250,000					
FUNDING TOTALS	**$4,051,000**					

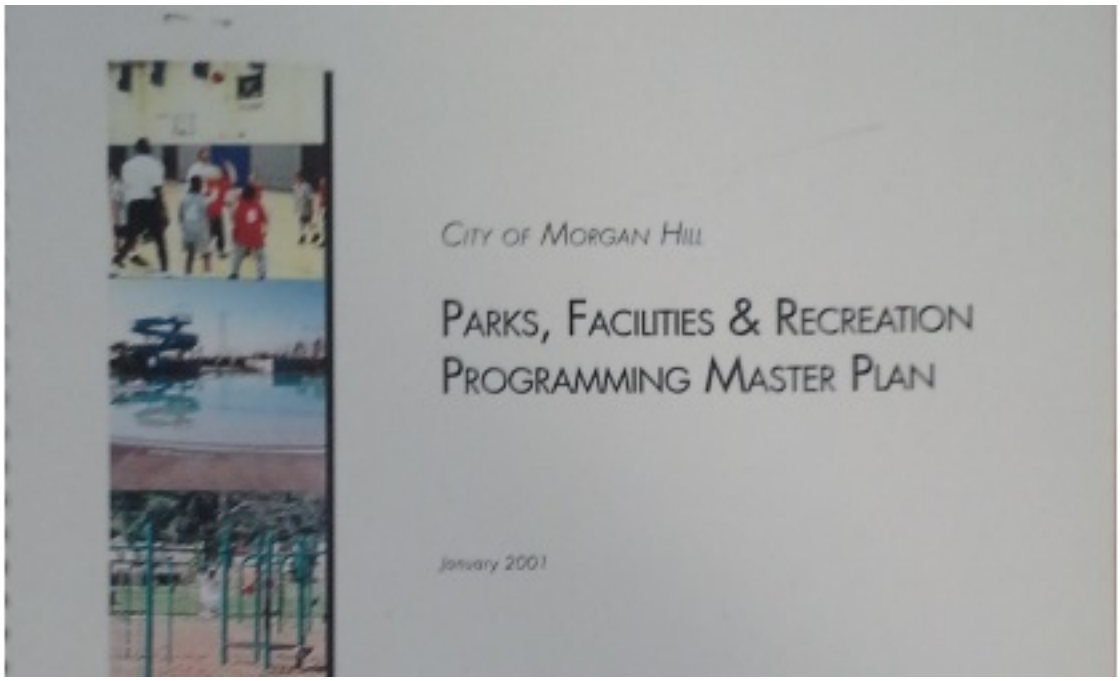
Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

Having additional park lands in the City's inventory will bring additional maintenance costs. The costs are estimated to be approximately $90,000 per year, beginning in 2016/17. Maintenance costs have been included in the City Operating Budget's five year forecast.

Project	Parks Master Plan Update	Project No.	136014
Category	Parks & Recreation	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Supporting Youth	**Location**	Citywide



Project Description

The Parks and Recreation Master Plan was most recently updated in 2002. With most of the centers outlined in the plan constructed and in operation, the next update to the plan will focus on future park planning and development. After engaging the community, an updated Parks and Recreation Master Plan will map a vision for advancing the City's parks. Revision of the Community Park Master Plan will also occur as part of this process. In June 2008, the City updated the Bikeways Master Plan, which contains new bike lanes, paths, and routes within the City to aide non-motorized travel. The Trails and Natural Resources Study, which complimented the Bikeways Master Plan, was completed in November 2007. Its main function was to identify new trails and sidewalk connections, and also close gaps in the existing sidewalk system. In May of 2015 , the City hired MIG Consultants to conduct updates to all these Master Plans. The planning process will run through December of 2016. Funds in FY 16/17 are for CEQA review.

Upon completion of the Master Plan the Capital Improvement Program will be updated with additional projects that have been prioritized for the Park Impact Fund and Recreation Center Impact Fund.

Project Justification

The City's General Plan indicates the Parks and Recreation Master Plan is to be updated every five years. Both the Trails and Bikeways Master Plans are in need of updating and combining the two plans will be more efficient

and cost effective than preparing them separately. Having current master plans is important for obtaining future grant funds as well as defining long term direction for the development of future citywide park, recreation, trail, bicycle and pedestrian facilities. These master plans would be consistent with the General Plan Circulation Element goals #1, #6, #7, #8, and #9.

Expenditure Schedule & Category

Parks & Recreation: 136014

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86201 - Environmental Clearances	$20,000					
PROJECT COST	**$20,000**					

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	$20,000					
FUNDING TOTALS	**$20,000**					

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

Updating the Plan will not create any additional operational costs. Ongoing operations and maintenance cost planning for future park development will be a component of the Master Plan.

Project	Inclusive Playground	Project No.	137015
Category	Parks & Recreation	**Department**	Community Services
Council Priorities	Enhancing Public Safety, Supporting Youth	**Location**	Community Park

Project Description

A Morgan Hill Inclusive Playground Committee (a Morgan Hill Community Foundation Affiliate) are actively working on the planning and fundraising to build an inclusive playground for the Morgan Hill Community. Inclusive playgrounds provide play opportunities for all children, including those with disabilities. The location of the facility is planned for Community Park. Concept designs will be complete in May of 2016 and the group will begin formal fundraising at that time. The City previously funded the concept design for approximately $100,000 and committed an additional $300,000 to support construction. It is envisioned that the community will raise the additional $3.5 million to fund the playground.

Project Justification

The development of a universally accessible playground supports a number of the City Council's Priorities and Goals, including: Supporting Youth, Preserving and Cultivating Public Trust, and Stimulating Economic Development. This project will be volunteer and community driven in both funding and design of the facility.

Expenditure Schedule & Category

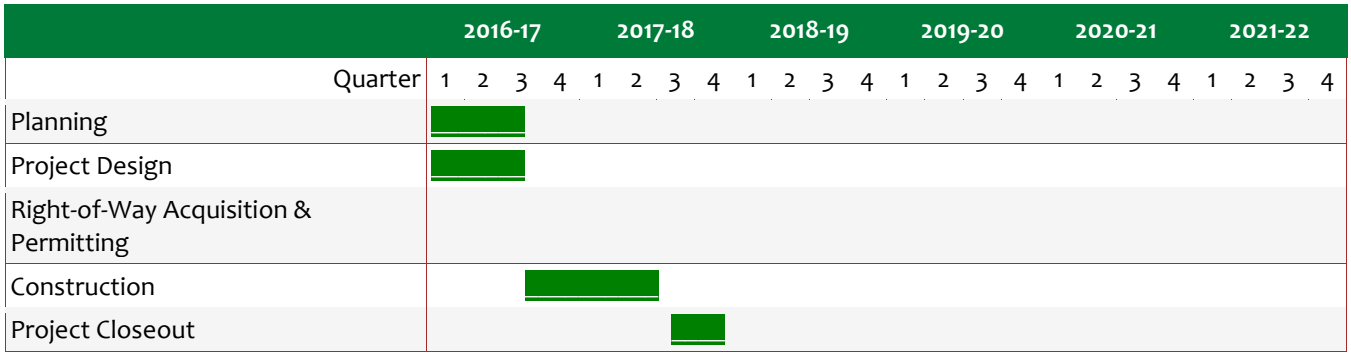
Parks & Recreation: 137015

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	$300,000					
PROJECT COST	**$300,000**					

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	$300,000					
FUNDING TOTALS	**$300,000**					

Estimated Project Schedule



Operating Cost Impacts

Maintenance costs would vary by design, location and size of the playground. It is estimated that maintenance of the facility could cost up to $30,000 annually if maintained by the City. However, it is envisioned that fundraising could offset some of this annual cost.

Project	Centennial Recreation Center Expansion	Project No.	138016
Category	Parks & Recreation	**Department**	CSD & PWD
Council Priorities	Supporting Youth, Developing Our Community, Enhancing Our Services	**Location**	Centennial Recreation Center

Project Description

The Centennial Recreation Center (CRC) opened in October of 2006. At that time it was anticipated that the facility was anticipated to accommodate 2,250 membership units. By the end of June 2009 the facility had nearly 3,200 membership units equaling over 10,000 memberships. Then in the Spring of 2010 the CRC Fitness Center was expanded providing over 2,000 additional square feet of useable fitness space and a variety of additional fitness equipment. Since that time the membership has continued to grow and the facility now has over 4,600 membership units and nearly 15,000 members. While creative programming has been used the facility is at functional capacity.

This project will expand the facility accommodating future programming needs and membership growth. Prior to design, a needs assessment will be performed to determine the expansion areas of health, wellness and recreation. This assessment will be the foundation for the design of the new expanded space. During FY 17/18 design will occur with construction on expansion of parking and building occurring in FY 18/19.

Project Justification

Due to overwhelming popularity of the CRC and it serving as the hub of recreation programs for the community this project was identified during the needs assessment performed during the fall of 2015.

Expenditure Schedule & Category

Parks & Recreation: 138016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services			$30,000			
86201 - Environmental Clearances			$15,000			
86220 - Architecture and Design		$160,000	$25,000			
86360 - Construction			$1,800,000			
86530 - Project Implementation			$200,000			
PROJECT COST		**$160,000**	**$2,070,000**			

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f360 - Community Center Impact Fund		$160,000	$2,070,000			
FUNDING TOTALS		**$160,000**	**$2,070,000**			

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

As part of the Recreation and Community Services Department, the Centennial Recreation Center operations, balance cost recovery and community access. The additional costs for operation of the expanded facility will be recovered through increased memberships and program fees.

Project	Sports Facilities Parking Lots	Project No.	139016
Category	Parks & Recreation	**Department**	Public Works
Council Priorities	Supporting Youth, Developing Our Community, Enhancing Our Services	**Location**	Outdoor Sports Center & Aquatics Center

Project Description

The City's Outdoor Sports Center and Aquatics Center continue to be a regional draw and an economic development engine as hundreds of thousands of visitors use these facilities annually. In addition, both of these facilities provide local residents with valuable community resources. Parking at these facilities is limited and expansion is necessary. The planned expansion of the facilities would integrate the parking and adjacent areas into a master planned design for the entire site.

It is anticipated that this land acquisition will occur through a lease with an option to purchase. It is anticipated that the acquired space will provide for immediate temporary parking. Minor improvements would occur once leased in FY 16/17. This project calls for the permanent development of the acquired land in FY 20/21 after the option to purchase has been executed. This project was identified during the needs assessment performed prior to reinstating the City's Recreation Center Impact Fee.

Project Justification

The popularity and use of the Aquatics Center and Outdoor Sports Center continues to grow. As the Community continues to grow additional parking is required to accommodate use of the facilities.

Expenditure Schedule & Category

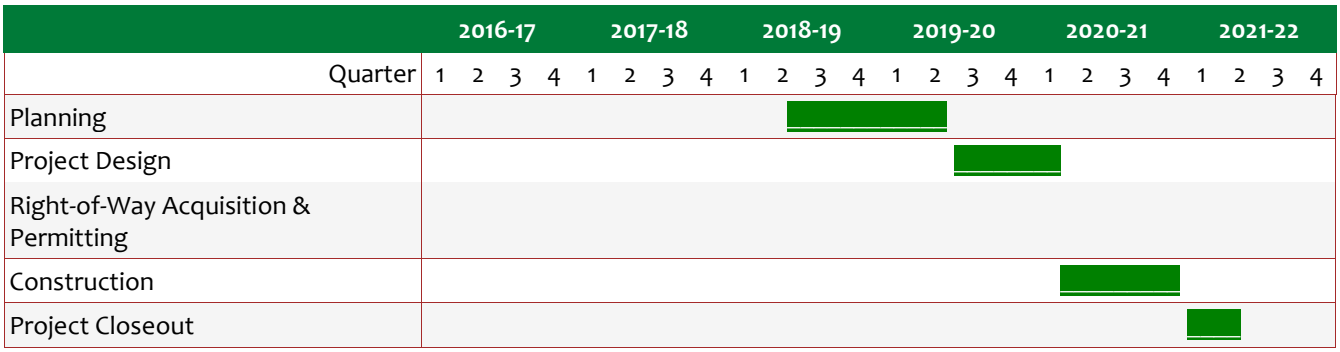
Parks & Recreation: 139016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86120 - Property Acquisition				$500,000		
86200 - Professional Services				$40,000		
86201 - Environmental Clearances				$10,000		
86220 - Architecture and Design				$80,000		
86360 - Construction	$25,000				$800,000	
86530 - Project Implementation				$15,000	$85,000	
PROJECT COST	**$25,000**			**$645,000**	**$885,000**	

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f301 - Park Impact Fund	$25,000					
f306 - Agriculture & Open Space Preservation				$500,000		
f360 - Community Center Impact Fund				$145,000	$885,000	
FUNDING TOTALS	**$25,000**			**$645,000**	**$885,000**	

Estimated Project Schedule



Operating Cost Impacts

As part of the Recreation and Community Services Department, the Aquatics Center operations, balance cost recovery and community access. The Outdoor Sports Center, is operated via a concessionaire contract with the Morgan Hill Youth Sports Alliance. The current agreement provides the City with a net positive revenue. The additional costs of maintaining additional parking facilities would be incorporated into the annual operations of these areas and anticipated to support cost recovery.

Project	Agricultural Preservation	Project No.	140016
Category	Parks & Recreation	**Department**	CSD & CDD
Council Priorities	Planning Our Community	**Location**	Citywide

Project Description

The City-wide Agricultural Lands Preservation Program provides for the acquisition of agricultural conservation easements. In March of 2016, the City Council renamed the existing Open Space Fund to the "Agriculture and Open Space Preservation Fund" and dedicated $6,000,000 in funding for the acquisition of these easements. The City will be engaging a consultant to implement the program and support acquisition efforts. City staff will continue to work with the County of Santa Clara and the Open Space Authority to coordinate efforts on the regional "Sustainable Agricultural Lands Policy Framework for Southern Santa Clara County.

This project accounts for the City spending $1,000,000 per year over the next six years on agricultural conservation easements. This allocation would also include funding for any required mitigation for City facilities developed on agricultural lands.

Project Justification

This project has been identified in the City's Parks and Recreation Facilities Master Plan. The City has identified the preservation of agricultural lands within the City's Sphere of Influence ("SOI") as an important City objective. The acquisition of agricultural conservation easements is an important element of this program.

Expenditure Schedule & Category

Parks & Recreation: 140016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86120 - Property Acquisition	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
PROJECT COST	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$1,000,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f306 - Agriculture & Open Space Preservation	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
FUNDING TOTALS	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$1,000,000**

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

The purchase of agricultural preservation easements is not expected to create any additional long term operating costs for the City.

Project	Galvan Park Improvements	Project No.	141016
Category	Parks & Recreation	**Department**	Community Services
Council Priorities	Enhancing Public Safety, Supporting Youth	**Location**	Galvan Park

Project Description

The Galvan Park Project will be funded through a combination of Housing Related Park Grant Funds and Community Development Block Grant Funds (CDBG). The CDBG capital funds can only be spent in areas that meet certain demographic qualifications. Galvan Park has been the focus of the CDBG Capital Program due to its unique eligibility based on location. Enhancements that occur in past years included the addition of a walking path, a new BBQ area, new play equipment, construction of a playground area, and lighting improvements in the park. Projects for FY 16/17 will include relocation and addition of handball courts, improved lighting and park fitness equipment.

Housing related Parks Grant funds total $185,000 ($111,000 awarded and $74,000 anticipated from the next grant cycle in FY 16/17). The City has $70,000 remaining in CDBG funds for use on this project in FY 16/17.

Grant in the amount of $185,000 is anticipated for FY 16/17.

Project Justification

CDBG funds are to be used to benefit low income areas. Galvan Park, which lies near the City's downtown is eligible for these funds under the guidelines of the CDBG program. The park improvements meet the Council's goal of supporting youth in the community. CDBG funding will no longer be available for parks beyond FY 16/17.

Expenditure Schedule & Category

Parks & Recreation: 141016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	$245,000					
86530 - Project Implementation	$10,000					
PROJECT COST	**$255,000**					

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f215 - HCD Fund	$70,000					
f301 - Park Impact Fund	$185,000					
FUNDING TOTALS	**$255,000**					

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design		■																						
Right-of-Way Acquisition & Permitting																								
Construction		■	■																					
Project Closeout				■																				

Operating Cost Impacts

The planned improvements would not significantly increase maintenance costs for the park site.

Project	Library Expansion	Project No.	251015
Category	Public Facilities	**Department**	Public Works
Council Priorities	Supporting Youth	**Location**	Morgan Hill Library (DeWitt & Main)

Project Description

The Friends of the Morgan Hill Library sponsored a space needs assessment study to address the expansion of the Morgan Hill Library to meet growing program needs. Santa Clara County operates the Library and has collaborated with the City to layout a phased expansion and tenant improvement plan that could ultimately increase the size of the facility by 10,600 SF and improve the services the library provides to the community. County Library representatives and the Friends of the Morgan Hill Library have provided the following list of programs/activities and the associated improvements needed to address them:

o Phase I: Children's area, storytime, reading garden & bookstore: 4,900 SF of new space, 1,480 SF of new landscaping and 1,220 SF of interior improvements.
o Phase II: Staff administrative needs, additional storage & larger program area: 2,250 SF of new space and 4,400 SF of interior improvements.
o Phase III: Adult book stacks & quiet reading: 3,400 SF of new space and 330 SF of interior improvements.

Based on feedback from the Friends of the Morgan Hill Library and the County, priority will be given to Phase I and Phase II with construction commencing in FY 17/18. Phase III construction is anticipated to commence in FY 19/20.

Sufficient Library Impact Funds are available to complete Phase I & II. Any shortfall will be made up with a temporary interfund loan. Phase III will be put on hold until sufficient revenues are generated. Total project cost

of all phases is estimated to be $5.1 million.

Project Justification

The expansion and tenant improvement program is required to meet the future library and community service needs of the Morgan Hill community. The Library was opened in 2007 and has seen a growing demand in children's programs and adult reading areas that cannot be met in the space provided within the existing facility. In addition, after having a few years of operating experience, the staff at the Library has identified better and more efficient uses of the space inside the existing facility that will require reconfiguration.

Expenditure Schedule & Category

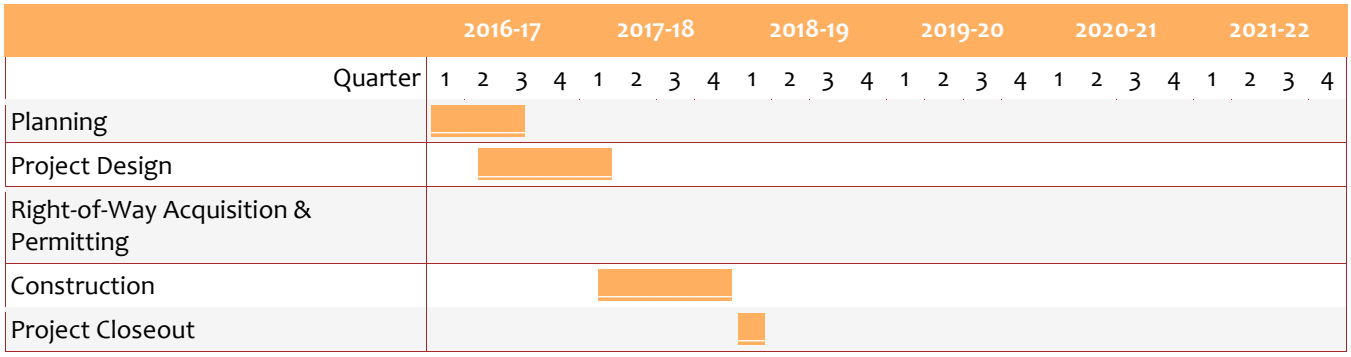
Public Facilities: 251015

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services		$200,000				
86201 - Environmental Clearances	$10,000					
86220 - Architecture and Design	$65,000	$20,000				
86360 - Construction		$3,000,000				
86530 - Project Implementation	$40,000	$110,000				
PROJECT COST	**$115,000**	**$3,330,000**				

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f348 - Library Impact Fund	$115,000	$3,330,000				
FUNDING TOTALS	**$115,000**	**$3,330,000**				

Estimated Project Schedule



Operating Cost Impacts

The County is responsible for interior expense and responsible to pay for any increase.

Project	Corporation Yard Long Term Plan	Project No.	252016
Category	Public Facilities	**Department**	PWD & CSD
Council Priorities	Fiscal Responsibility, Planning Our Community, Enhancing Our Services	**Location**	100 Edes Court

Project Description

The City's Corporation Yard is located at the end of Edes Court adjacent to prime recreation facilities such as Community Park, the Centennial Recreation Center, and the skate park. The Corporation Yard is part of a 6 acre fully improved facility shared by the City's Public Works, Community Services, and Police Departments and the Morgan Hill Unified School District Transportation yard. The School District leases approximately 4 acres of the site from the City for bus parking, maintenance, and transportation office space. For most of the remaining site, the traditional City Corporation Yard houses the maintenance personnel, equipment, and material that provide utilities services and streets and parks maintenance services. The facility is made up of office space, training room space, interior and exterior materials storage bays, fleet parking, and the command and control center for the utilities operations. The City commissioned a Corporation Yard Master Plan in 2003 and it determined that the site currently used for the traditional yard activities will not suffice for the (at the time) 20-year horizon.

Given that the School District is seeking a new transportation Yard and that both the School District and the City have expressed an interest in sharing a Corporation Yard on a long term basis, the need for a new Corporation Yard is present. The first step in finding a suitable site for the joint corporation yard is to perform a needs and space assessment for both agencies. In FY 16/17 a space needs assessment will be conducted with both agencies sharing in the cost. The City will take the lead on the study and collaborate with the School District.

Project Justification

The City's Community Services and Public Works Departments will eventually outgrow the existing Corporation Yard space if left with the portion it occupies now.

Expenditure Schedule & Category

Public Facilities: 252016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$120,000					
86530 - Project Implementation	$20,000					
PROJECT COST	**$140,000**					

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f347 - Public Facilities Impact Fund	$140,000					
FUNDING TOTALS	**$140,000**					

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

The Corporation Yard Master Plan will not impact operations costs.

Project	Storm Pipe Installation	Project No.	415097
Category	Storm Drainage	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Protecting the Environment	**Location**	Citywide

Project Description

Construction of storm drains, storm inlets and other miscellaneous improvements at various locations in the city to address localized chronic drainage problems. Identified locations are first analyzed to determine if minimum measures can be taken to alleviate drainage issues. Then, determine if adding more drainage facilities that will connect to adjacent regional drainage pipes and channels will solve the localized problem. For example, many localized drainage problems lying in the Upper Llagas Creek watershed (and, thus, in the 100-year FEMA flood plain) are unable to be resolved with additional drainage facilities due to the current limited capacity in the Upper Llagas Creek channel. Areas of focus include the Burnett Avenue/Monterey Road intersection, the Llagas Creek Drive/Shadowbrook Way/Stoney Creek Way neighborhood, and the Church Street and E. Dunne Avenue area. Additional areas may also be considered.

The funding source for these localized drainage projects has been Fund 304, Non-AB 1600 drainage fees collected from residential developers who had chosen to make monetary contribution to gain additional points in the RDCS scoring criteria. That criteria is no longer available to developers for scoring points which means the City will no longer have this revenue source to contribute to Fund 304. Funds will be programmed in the out years spending down the fund balance to accomplish projects.

Project Justification

Local flooding can cause damage to public and private property and may present safety issues.

Expenditure Schedule & Category

Storm Drainage: 415097

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$40,000	$10,000	$10,000	$10,000	$10,000	$10,000
86360 - Construction		$120,000	$120,000	$120,000	$120,000	$120,000
86530 - Project Implementation	$10,000	$20,000	$20,000	$20,000	$20,000	$20,000
PROJECT COST	**$50,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f304 - Drainage (NonAB1600) Fund	$50,000	$150,000	$150,000	$150,000	$150,000	$150,000
FUNDING TOTALS	**$50,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**

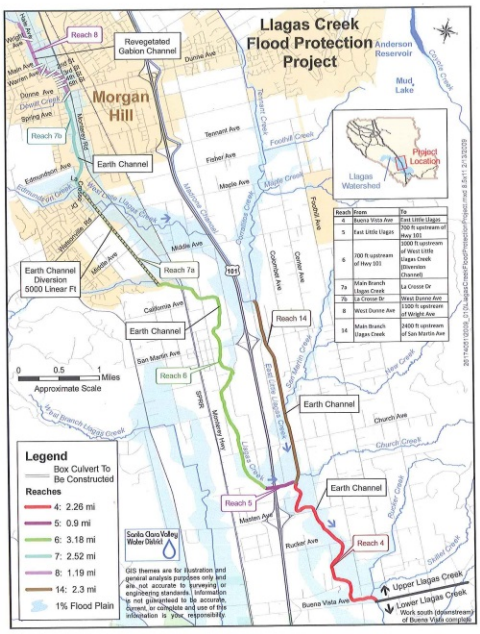
Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

As local drainage problems are repaired or improved, maintenance costs are reduced during rain events.

Project	Llagas Flood Control	Project No.	417099
Category	Storm Drainage	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Protecting the Environment	**Location**	West Little Llagas Creek in Morgan Hill



Project Description

This project addresses storm water conveyance infrastructure that drains into the Upper Llagas Creek Flood Protection Project (ULCFPP) and the West Little Llagas watershed. The ULCFPP is a $120M project to build channels, underground conduits, tunnels, and bridges to capture the flood waters from a 100-year storm in Morgan Hill and eliminate the recurring flooding in the downtown and other parts of the City lying in the West Little Llagas Creek watershed. The design is now 90% complete. The southerly Morgan Hill section (Reaches 7 and 7A) will begin construction in the summer of 2017. The northerly segment (Reach 8), including downtown Morgan Hill, is scheduled to be completed in the 2020 timeframe, assuming sufficient construction funds are acquired. Staff will coordinate with the Santa Clara Valley Water District to construct City-owned drainage infrastructure in a manner that provides flood protection when the ULCFPP is completed.

Project Justification

The ULCFPP is critical to alleviating the persistent flooding in Morgan Hill. In addition, the project will allow for a re-mapping of the FEMA flood plain in the City with the likely result that many properties will be removed from the 100-year floodplain and the mandatory flood insurance that goes with lying in the floodplain. The ULCFPP continues to be on the list of Council goals and priorities.

Expenditure Schedule & Category

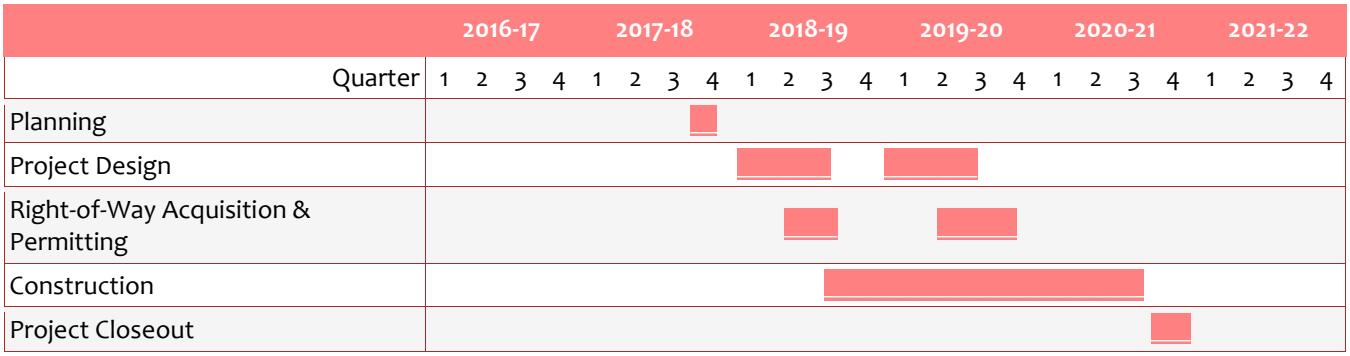
Storm Drainage: 417099

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services			$40,000	$40,000		
86220 - Architecture and Design			$150,000			
86360 - Construction			$2,000,000	$2,500,000		
86530 - Project Implementation		$20,000	$150,000	$250,000	$100,000	
PROJECT COST		**$20,000**	**$2,340,000**	**$2,790,000**	**$100,000**	

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f303 - Drainage Impact Fund		$20,000	$2,340,000	$2,790,000	$100,000	
FUNDING TOTALS		**$20,000**	**$2,340,000**	**$2,790,000**	**$100,000**	

Estimated Project Schedule



Operating Cost Impacts

Costs to operate and maintain the Upper Llagas Creek Flood Protection Project will be borne by the Santa Clara Valley Water District. Costs to maintain local drainage facilities constructed in FY's 17-18 and 18-19 will be borne by the City. Those costs are unknown at this time but will be off-set by a reduction in O&M costs due to elimination of flooding in streets, once projects are completed.

Project	New Signal Construction	Project No.	502000
Category	Streets & Roads	**Department**	Public Works
Council Priorities	Enhancing Public Safety	**Location**	Citywide

Project Description

New traffic signals are installed as needed to meet growing traffic demands and existing signals are periodically upgraded. In FY 16/17, a new traffic signal will be installed at the intersection of Monterey Road and Fourth Street. In FY 17/18, and beyond, intersections of major arterials will be studied to determine improvements that would increase capacity and/or efficiency of vehicle movements. New signals will be considered where traffic volumes warrant the need.

Project Justification

New signals, when warranted, provide for a more efficient movement of traffic and improve pedestrian safety.

Expenditure Schedule & Category

Streets & Roads: 502000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$30,000		$35,000		$40,000	
86360 - Construction	$180,000		$400,000		$450,000	
86530 - Project Implementation	$40,000		$45,000		$50,000	
PROJECT COST	**$250,000**		**$480,000**		**$540,000**	

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f309 - Traffic Impact Fund	$25,000					
f346 - Public Facilities (NonAB1600) Fund	$225,000		$480,000		$540,000	
FUNDING TOTALS	**$250,000**		**$480,000**		**$540,000**	

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

Maintenance of new traffic signal to be performed by Community Services Maintenance Division at an estimated additional annual operating cost of $1,500 per signal.

Project	Underground Monterey Utilities	Project No.	512093
Category	Streets & Roads	**Department**	Public Works
Council Priorities	Enhancing Public Safety	**Location**	Monterey Rd (Dunne to 600' N. of Cosmo)

Project Description

This PG&E Rule 20A project will underground the overhead utility lines along Monterey Road from Dunne Avenue to approximately 500 feet south of Spring Avenue. The undergrounding district has been formed for the project.

Construction is anticipated to begin in the Summer of 2016 using $2.75 million of Rule 20A funding and be completed within six months. PG&E has agreed to pay for the conversion costs to each individual customer affected by the project. Verizon and Charter will work separately from the City and PG&E to complete their portion of work.

Rule 20A funds are held by PG&E. PG&E will provide one-half of the necessary funds up front to get the project started. The City will then invoice PG&E for contractor progress payments.

Project Justification

The undergrounding of utilities will improve both the aesthetics and safety along Monterey Road.

Expenditure Schedule & Category

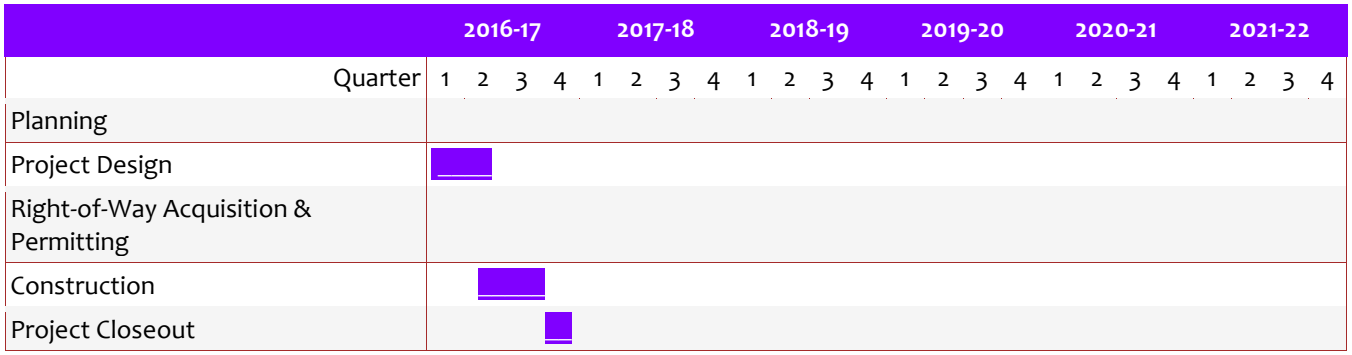
Streets & Roads: 512093

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86530 - Project Implementation	$40,000					
PROJECT COST	**$40,000**					

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f346 - Public Facilities (NonAB1600) Fund	$25,000					
f643 - Sewer CIP Fund	$8,000					
f653 - Water CIP Fund	$7,000					
FUNDING TOTALS	**$40,000**					

Estimated Project Schedule



Operating Cost Impacts

There are no operating budget impacts.

Project	Pavement Rehabilitation Program	Project No.	519000
Category	Streets & Roads	**Department**	Public Works
Council Priorities	Enhancing Public Safety	**Location**	Citywide

Project Description

This ongoing program is intended to address the City's pavement rehabilitation needs. Locations for maintenance are selected based on recent Pavement Management Program (PMP) data and field observations from Street Maintenance crews. Projects by Fiscal Year:

o FY16/17: Overlay Monterey Rd (Dunne to East Middle), guardrail installation on Thomas Grade, slurry and crack seal work in Jackson Meadows neighborhoods.
o FY17/18: Overlay East Dunne Avenue (Hill to Thomas Grade), Overlay Monterey Road (Tilton to Peebles), slurry and crack seal in Central Park, Morgan Lane, and Kendall Hill neighborhoods.
o FY18/19: Street maintenance locations to be determined following update of the City's Pavement Management Program in the Spring of 2017.

Project Justification

Extends the surface life of streets, thus reducing repair costs in the future. The 2016 Pavement Management Program (PMP) update recommends needed rehabilitation of $3.9 million per year to maintain the City's current pavement condition index (PCI) of 67, though the deferred maintenance backlog will increase from $25.2 million to $30.7 million. The latest PMP report indicated a need to invest $6.0 million annually to increase the PCI from 67 to 72 and stabilize the backlog at $22.9 million by FY 20-21.

Expenditure Schedule & Category

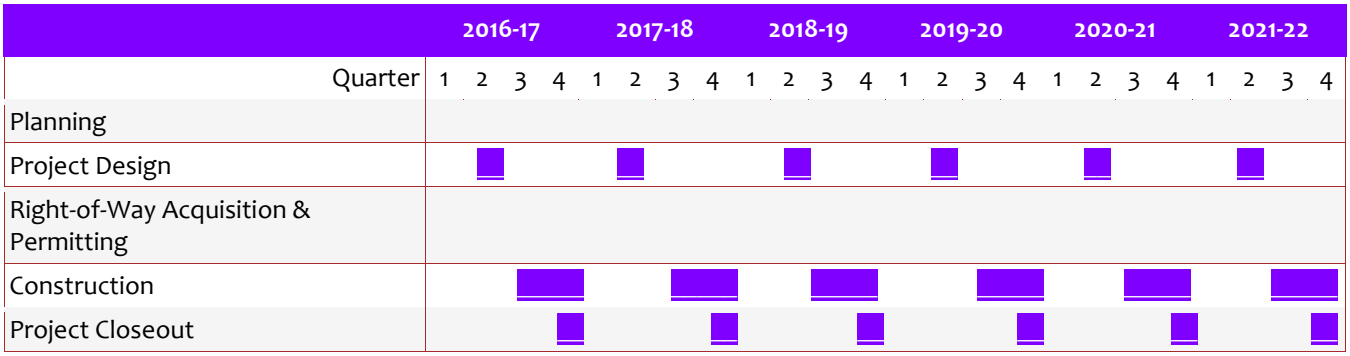
Streets & Roads: 519000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$72,000	$72,000	$72,000	$72,000	$72,000	$72,000
86360 - Construction	$1,873,000	$1,223,000	$1,228,000	$483,000	$488,000	$488,000
86530 - Project Implementation	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
PROJECT COST	**$1,995,000**	**$1,345,000**	**$1,350,000**	**$605,000**	**$610,000**	**$610,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f308 - Street CIP	$1,995,000	$1,345,000	$1,350,000	$605,000	$610,000	$610,000
FUNDING TOTALS	**$1,995,000**	**$1,345,000**	**$1,350,000**	**$605,000**	**$610,000**	**$610,000**

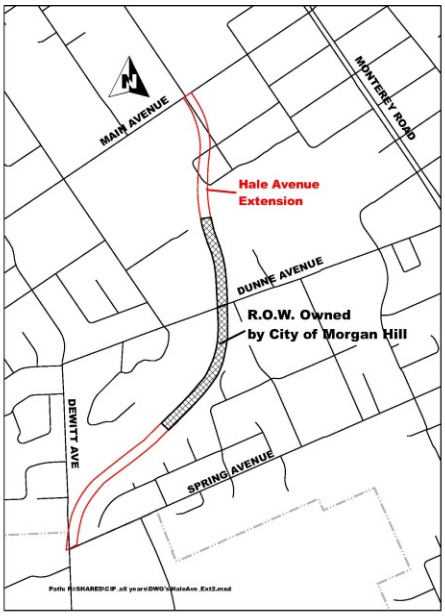
Estimated Project Schedule



Operating Cost Impacts

Pavement rehabilitation reduces overall maintenance cost as affected streets are improved.

Project	Hale Avenue Extension	Project No.	546007
Category	Streets & Roads	**Department**	Public Works
Council Priorities	Enhancing Public Safety	**Location**	Hale Ave (from Main Ave to Spring Ave)



Project Description

Construct Hale Avenue between Main Avenue and DeWitt Avenue. This portion of the larger Santa Teresa corridor does not currently exist but would provide a north-south arterial roadway alternative west of Monterey Road through the downtown. The Hale Avenue extension is designed as a two lane (one in each direction) multi-modal roadway. The project is 85% designed. To complete the project it will be necessary to finish the design, purchase the necessary right-of-way, complete the CEQA processing, and build the roadway. In FY 15/16, the City hired a consultant to prepare the necessary CEQA studies for the project. They are expected to be complete in January 2017. For FY 16/17, staff will focus on finalizing the design and purchasing right of way from willing sellers.

This project falls on the "Needed But Not Funded" list due to a shortfall of funding. Available Traffic Impact funds will provide only 30% of required funding. To complete the project, a supplemental funding source will be necessary. The project is being positioned to be a candidate for an eligible project in a County-wide transportation ballot measure in November 2016. Should that measure succeed, proceeds will be available to provide the 70% funding gap to complete the project. Staff will be utilizing Traffic Impact Funds to get the project as "shovel ready" as possible. The timing of construction is dependent on the results and terms of the proposed ballot measure.

Project Justification

The Hale Avenue extension is included in the City's General Plan Circulation Element and will provide relief for congestion along Monterey Road through the downtown and relief for the residential areas west of the downtown that now bear the burden of commute and pass-through traffic. The roadway will also have bike lanes and pedestrian walkways to accommodate other modes of transportation.

Expenditure Schedule & Category

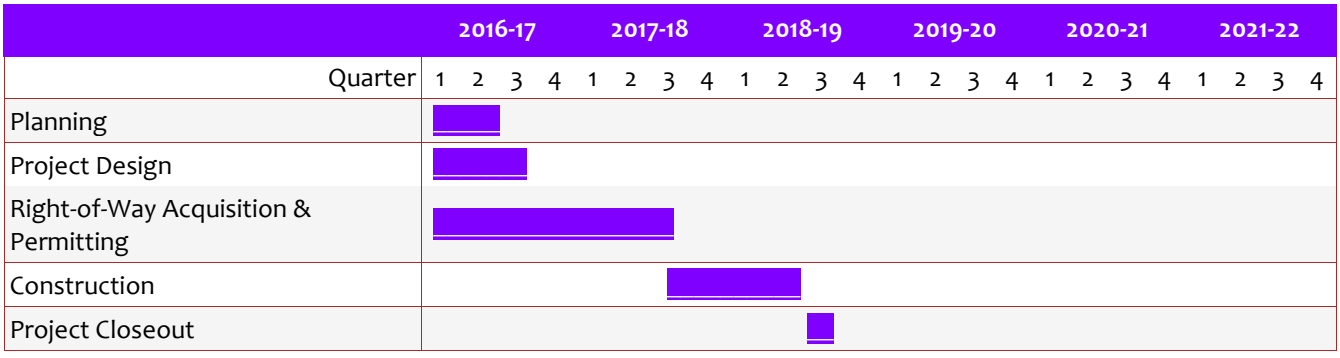
Streets & Roads: 546007

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86121 - Right-of-Way Acquisition	$500,000	$1,255,000				
86200 - Professional Services	$80,000	$40,000				
86220 - Architecture and Design	$250,000	$50,000				
86230 - Legal Services	$25,000	$80,000				
86360 - Construction		$1,500,000				
86530 - Project Implementation	$60,000	$60,000	$150,000			
PROJECT COST	**$915,000**	**$2,985,000**	**$150,000**			

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f309 - Traffic Impact Fund	$915,000	$2,985,000	$150,000			
FUNDING TOTALS	**$915,000**	**$2,985,000**	**$150,000**			

Estimated Project Schedule



Operating Cost Impacts

Additional lane miles added to the street maintenance inventory. One new traffic signal will also be added to the Streets Division inventory.

Project	RDCS School Safety Improvements	Project No.	551008
Category	Streets & Roads	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Supporting Youth	**Location**	Near Schools

Project Description

Construct school pedestrian safety improvements in the public right of way in accordance with the Residential Development Control System (RDCS) ordinance. Locations and scope will be determined in collaboration with the local schools, utilizing studies and maps. Projects can include crosswalk enhancements, flashing signage, and other improvements to facilitate safe access for students to and from schools.

Projects will also include decorative crosswalks for the local schools to improve safety and engage our youth in the design, and $100,000 has been allocated each year for three fiscal years from FY 16/17 to FY 18/19.

Project Justification

School Pedestrian Safety Fund 355 fees collected from developers throughout the RDCS process are to be allocated for construction of school safety projects.

Expenditure Schedule & Category

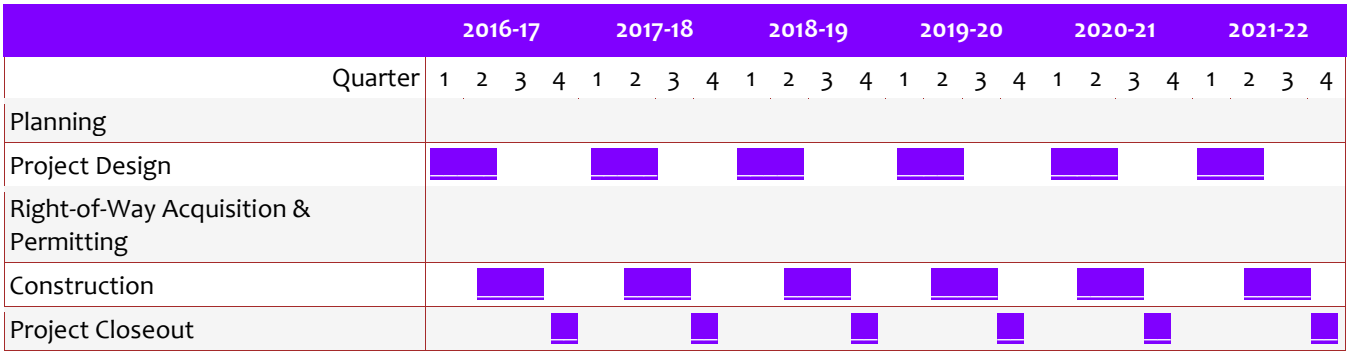
Streets & Roads: 551008

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$25,000	$30,000	$20,000	$20,000	$20,000	$20,000
86360 - Construction	$300,000	$450,000	$350,000	$250,000	$250,000	$250,000
86530 - Project Implementation	$20,000	$50,000	$20,000	$20,000	$20,000	$20,000
PROJECT COST	**$345,000**	**$530,000**	**$390,000**	**$290,000**	**$290,000**	**$290,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f355 - School Pedestrian & Traffic Safety	$345,000	$530,000	$390,000	$290,000	$290,000	$290,000
FUNDING TOTALS	**$345,000**	**$530,000**	**$390,000**	**$290,000**	**$290,000**	**$290,000**

Estimated Project Schedule



Operating Cost Impacts

Additional maintenance costs to Community Services Maintenance Division will be minimal.

Project	Monterey Road Medians	Project No.	561012
Category	Streets & Roads	**Department**	Public Works
Council Priorities	Enhancing Public Safety	**Location**	Monterey Rd. South of Dunne Ave

Project Description

Construct new medians in Monterey Road between Dunne and Cosmo Avenues . Medians are to be raised with curb and gutter and landscaped to match the character of the downtown medians north of Dunne Avenue. Construction of medians to happen in FY16/17.

Project Justification

Completion of the new medians south of Dunne Avenue is in accordance with the City Council's direction to extend the downtown place-making efforts south of Dunne Avenue. The project will also provide a permanent and safer median in front of the local Post Office.

Expenditure Schedule & Category

Streets & Roads: 561012

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86530 - Project Implementation	$40,000					
PROJECT COST	**$40,000**					

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f309 - Traffic Impact Fund	$40,000					
FUNDING TOTALS	**$40,000**					

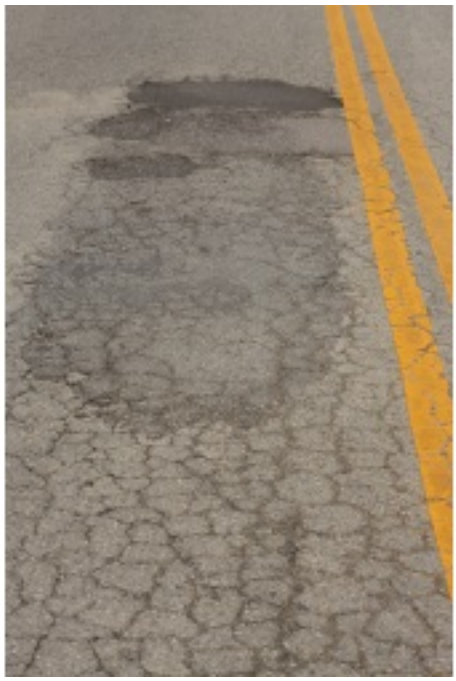
Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

New median landscaping will require additional O&M costs of approximately $2,000 per year.

Project	Assessment District - Streets	Project No.	563013
Category	Streets & Roads	**Department**	Public Works
Council Priorities	Enhancing Public Safety	**Location**	Assessment Districts



Project Description

Funds collected from several legacy assessment districts will be used to construct maintenance- related public improvements. Eligible street improvements include the construction of streets and their related ancillary elements like signage, signalization, and landscaping. Due to the wide variety of locations eligible for this funding, the scope will be addressed by multiple smaller projects using the Informal Bidding process.

Project Justification

Specific needed improvements have been identified in every district that will accomplish infrastructure upgrades serving the related developments.

Expenditure Schedule & Category

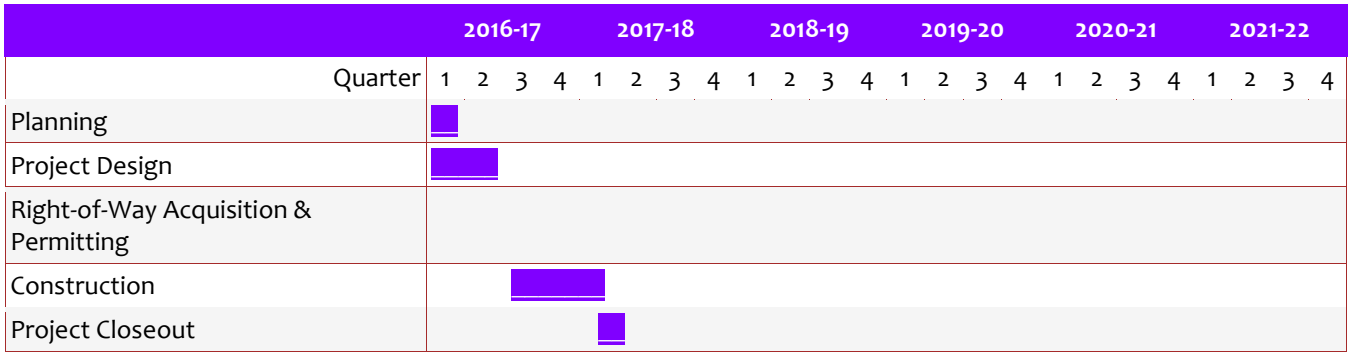
Streets & Roads: 563013

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$45,000					
86360 - Construction	$600,000					
86530 - Project Implementation	$60,000					
PROJECT COST	**$705,000**					

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f308 - Street CIP	$705,000					
FUNDING TOTALS	**$705,000**					

Estimated Project Schedule



Operating Cost Impacts

Reduced street maintenance expenses for many years in most districts. Increased expenses for traffic signal battery maintenance in some districts.

Project	Parking Lot Maintenance & Rehabilitation	Project No.	568014
Category	Streets & Roads	**Department**	Community Services
Council Priorities	Enhancing Public Safety	**Location**	Citywide

Project Description

The City owns parking lots in the Downtown and throughout the community at parks and public facilities. These lots require periodic slurry sealing and restriping which will be addressed on a rotational basis each year. For FY16/17, the parking lots at the Aquatics Center and the Downtown 2nd to 3rd Street Lot are scheduled to be addressed.

In FY 17/18 the lots at the Centennial Recreation Center (CRC), Paradise Park, and Depot Street are scheduled.

Project Justification

Maintaining parking lot surfaces is a required maintenance activity.

Expenditure Schedule & Category

Streets & Roads: 568014

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000
PROJECT COST	**$40,000**	**$40,000**	**$40,000**	**$40,000**	**$40,000**	**$40,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f346 - Public Facilities (NonAB1600) Fund	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000
FUNDING TOTALS	**$40,000**	**$40,000**	**$40,000**	**$40,000**	**$40,000**	**$40,000**

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Planning																								

Operating Cost Impacts

This project directly addresses maintenance needs. In addition, the slurry sealing of asphalt protects the surface from water, extends its life, and reduces long-term maintenance expenses.

Project	Charging Stations - CCC/AC/CRC	Project No.	570014
Category	Streets & Roads	**Department**	Public Works
Council Priorities	Protecting the Environment	**Location**	CCC/AC/CRC

Project Description

Install three Level 2 plug in electric vehicle (PEV) charging stations for FY 16/17. The PEV charging stations will be installed at the Community and Cultural Center (CCC), Dennis Kennedy Aquatics Center (AC), and the Centennial Recreation Center (CRC). Each charging station will be able to charge two vehicles at a time. The electrical system at each facility will incorporate future expandability, so the costs to add future PEV stations will be minimal. For FY15/16, the City installed a total of five PEV charging stations at City owned facilities, with the capacity to charge eight vehicles. For FY 16/17, the City plans to install three more so each City owned facility will have at least one PEV charging station. For FY 18/19 and FY 20/21, staff will evaluate the need for additional PEV stations at each City owned facility to determine if more are needed.

The following amounts of the project costs are anticipated from the Transportation Fund for Clean Air (TFCA) Grant:

FY 16/17: $18,000 for three additional PEV charging stations (2 charging ports per station)
FY 18/19: $30,000 for five additional PEV charging stations (2 charging ports per station)
FY 20/21: $30,000 for five additional PEV charging stations (2 charging ports per station)

The predicted total number of charging stations at City owned facilities at end of FY 20/21 could be as high as 18, with the capacity to charge 34 vehicles.

Project Justification

To support the growing use of plug-in electric vehicles within our community. The City will continue to apply for grant funds to help fund future projects and charge customers a nominal fee in order to recover costs associated with electricity use and projected maintenance.

Expenditure Schedule & Category

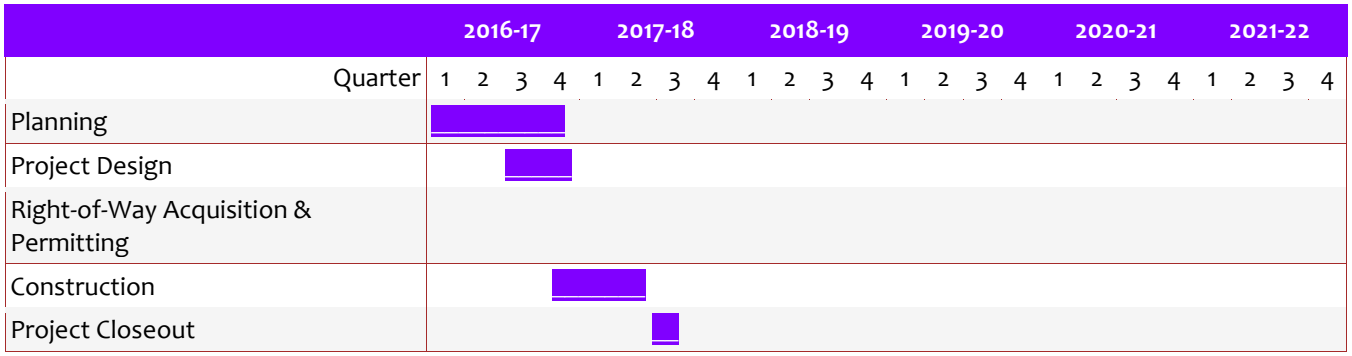
Streets & Roads: 570014

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$50,000		$15,000		$15,000	
86360 - Construction	$180,000		$60,000		$60,000	
86530 - Project Implementation	$60,000		$10,000		$10,000	
PROJECT COST	**$290,000**		**$85,000**		**$85,000**	

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f347 - Public Facilities Impact Fund	$290,000		$85,000		$85,000	
FUNDING TOTALS	**$290,000**		**$85,000**		**$85,000**	

Estimated Project Schedule



Operating Cost Impacts

The PEV charging stations annual network service plan cost is $255 per port (2 ports per station), for a total of $1,530 per year. The City adopted a pilot program user fee to recover costs associated with electricity use and projected maintenance.

Project	Sidewalk Repairs	Project No.	574015
Category	Streets & Roads	**Department**	Public Works
Council Priorities	Enhancing Public Safety	**Location**	Citywide

Project Description

The City has completed multiple sidewalk repair projects over the last four fiscal years. This newly established project moves Citywide sidewalk repairs into a single area for continued focus. This project provides for responsive annual sidewalk repair to the areas of highest need in the City.

Funding for FY 16/17 and FY 17/18 include funding for large citywide sidewalk projects at $260,000 each year to repair major areas of the City. Funding of $80,000 annually on an ongoing basis is provided to support high priority repairs throughout the entire City.

Project Justification

Continuous investment in sidewalks is necessary to provide for the safety for the City's residents.

Expenditure Schedule & Category

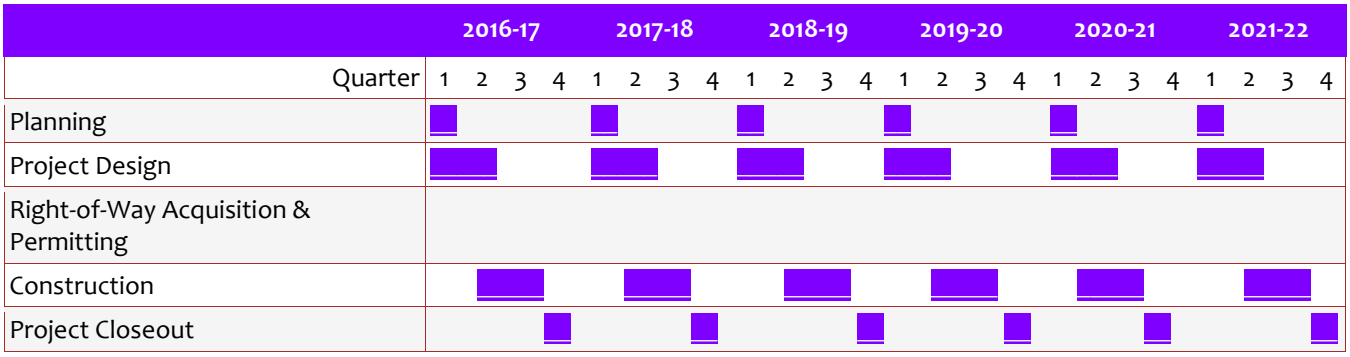
Streets & Roads: 574015

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	$280,000	$280,000	$60,000	$60,000	$60,000	$60,000
86530 - Project Implementation	$60,000	$60,000	$20,000	$20,000	$20,000	$20,000
PROJECT COST	**$340,000**	**$340,000**	**$80,000**	**$80,000**	**$80,000**	**$80,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f355 - School Pedestrian & Traffic Safety	$340,000	$340,000	$80,000	$80,000	$80,000	$80,000
FUNDING TOTALS	**$340,000**	**$340,000**	**$80,000**	**$80,000**	**$80,000**	**$80,000**

Estimated Project Schedule



Operating Cost Impacts

The Community Services Maintenance team makes immediate emergency repairs to severely damaged sidewalks. The sidewalk improvement project reduces the number of repairs necessary and provides for maintenance resources to be utilized in other areas.

Project	Intersection Capacity Analysis	Project No.	575015
Category	Streets & Roads	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Planning Our Community, Developing Our Community	**Location**	Various Intersections

Project Description

Evaluate major intersections to evaluate traffic efficiency. Report on recommendations for improving the geometry, lane configuration, and traffic signal timing to move traffic through the targeted intersections in the most efficient manner.

The focus will be the following intersections: Tennant Ave. & Butterfield Blvd., E. Main Ave. & Monterey Street, E. Dunne Ave. & Condit Rd.

Project Justification

Improve intersection efficiency based on observed congestion.

Expenditure Schedule & Category

Streets & Roads: 575015

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$30,000					
PROJECT COST	**$30,000**					

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f309 - Traffic Impact Fund	$15,000					
f346 - Public Facilities (NonAB1600) Fund	$15,000					
FUNDING TOTALS	**$30,000**					

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design		■																						
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout				■																				

Operating Cost Impacts

There are no operating budget impacts.

Project	Sanitary Sewer Rehabilitation	Project No.	302000
Category	Wastewater	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	Citywide

Project Description

The City's wastewater collection system requires an on-going program of evaluation, cleaning, improvement, and repairs. Eliminating trouble spots (areas in the system that demand a high level of effort and time from the flushing crews) is a priority for FY 16/17.

o FY 16/17: Sewer Main Upgrades Project consists of repairing "Trouble Spots" on Crest Lane, Lamar and Lindo Lane, and an a sewer access road for Oak Leaf Lane.

o FY 17/18: Includes Monterey Rd: between Ciolino & Spring part of a Rule 20A Project

Project Justification

These repairs and improvements will improve the efficiency of the wastewater crews by reducing the time spent maintaining the wastewater collection system. Ultimately, these areas are more prone to sanitary sewer overflows (SSO). Repairing trouble spots reduces the City's risk of SSOs.

Expenditure Schedule & Category

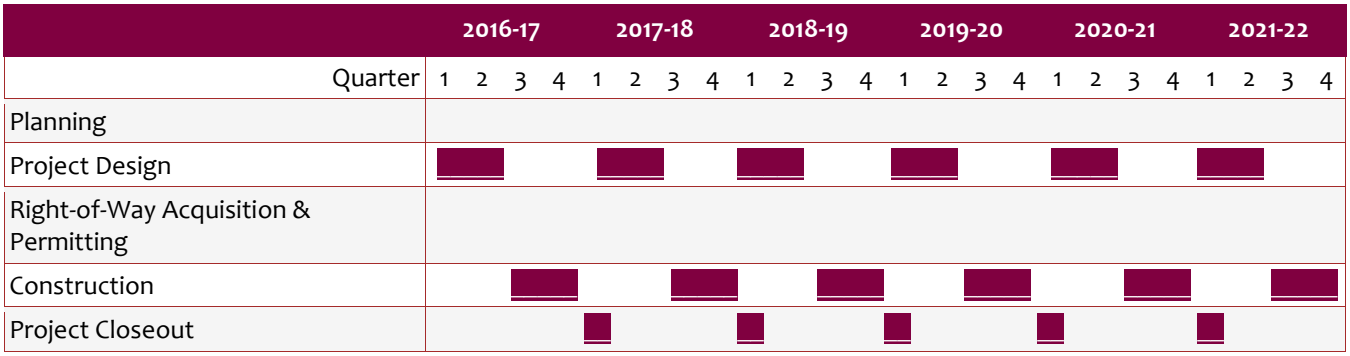
Wastewater: 302000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	$35,000					
86220 - Architecture and Design	$89,000	$354,000	$85,000	$110,000	$60,000	$125,000
86360 - Construction	$756,000	$2,655,000	$723,000	$935,000	$510,000	$1,063,000
86530 - Project Implementation	$44,000	$528,000	$42,000	$55,000	$30,000	$62,000
PROJECT COST	**$924,000**	**$3,537,000**	**$850,000**	**$1,100,000**	**$600,000**	**$1,250,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f643 - Sewer CIP Fund	$924,000	$3,537,000	$850,000	$1,100,000	$600,000	$1,250,000
FUNDING TOTALS	**$924,000**	**$3,537,000**	**$850,000**	**$1,100,000**	**$600,000**	**$1,250,000**

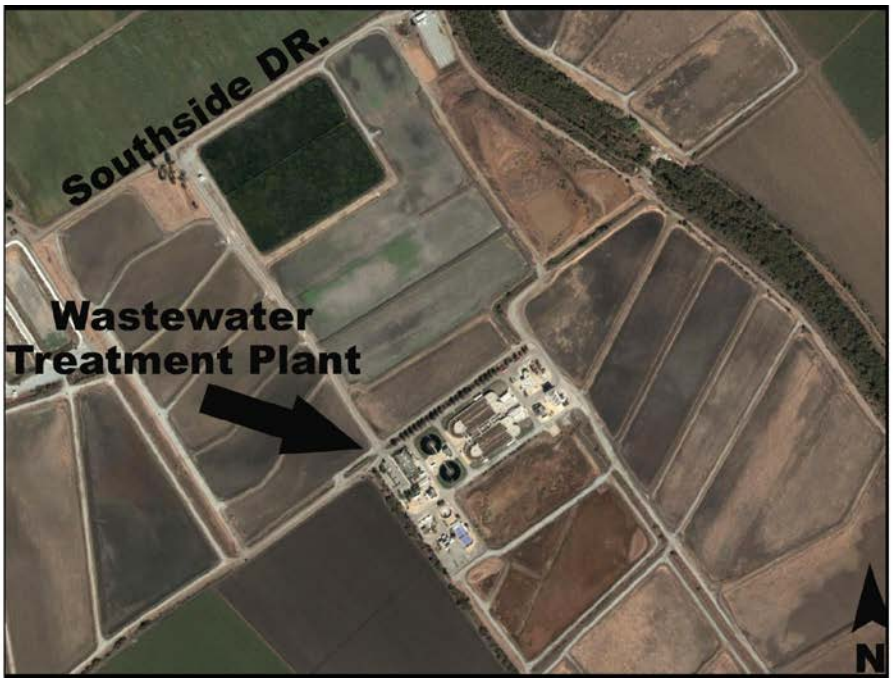
Estimated Project Schedule



Operating Cost Impacts

The repairs and improvements in this Capital Project will reduce the possibility of SSOs and increase the efficiency of the Wastewater Division's flushing program. Rehabilitating the infrastructure listed in this year's program will extend the asset's life cycle.

Project	Sewer Plant Expansion (SCRWA)	Project No.	303093
Category	Wastewater	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	Gilroy Treatment Plant



Project Description

The South County Regional Wastewater Authority (SCRWA) treatment plant is owned jointly by the cities of Morgan Hill and Gilroy. The plant's capacity is evaluated periodically to determine and plan for the future needs of both cities. A budget is developed by the plant's operating agent and approved by the agency's Board of Directors. The City is responsible for 41.9% of the costs shown below for the projects included in the FY 2016 - FY 2021 SCRWA Capital Improvement Budget. Total plant expansion cost is $34.5 million, and the Morgan Hill share is $14.5 million. The City currently has $10.0 million available for this project but will need to plan to fund the additional $4.5 in 2020/2021.

Major projects include:
Recycled Water Pump Stations: FY 16/17 ($1,050,000)
Plant Capacity Expansion: FY 16/17 ($500,000), FY 17/18 ($3,000,000), FY 18/19 ($10,000,000), FY 19/20 ($12,000,000), FY 20/21 ($4,000,000)

MH Share (41.9%): FY 16/17 ($693,000), FY 17/18 ($1,279,000), FY 18/19 ($4,152,000), FY 19/20 ($3,053,000), FY 20/21 ($1,684,000), FY 21/22 ($421,000 estimate based on available funds)

Project Justification

Future development will require that the plant treat a larger volume of wastewater. Preparation for meeting future wastewater treatment needs requires an on-going flow monitoring and plant expansion design and engineering program. The Plant Capacity Expansion costs are expected to escalate for the next 4 to 5 years as the plant expansion is completed.

Expenditure Schedule & Category

Wastewater: 303093

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	$693,000	$1,279,000	$4,152,000	$3,053,000	$1,684,000	$421,000
PROJECT COST	**$693,000**	**$1,279,000**	**$4,152,000**	**$3,053,000**	**$1,684,000**	**$421,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f641 - Sewer Impact Fund	$693,000	$1,279,000	$4,152,000	$3,053,000	$1,684,000	$421,000
FUNDING TOTALS	**$693,000**	**$1,279,000**	**$4,152,000**	**$3,053,000**	**$1,684,000**	**$421,000**

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	■	■	■	■	■	■	■	■	■	■	■	■												
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■

Operating Cost Impacts

Increased capacity will meet new user demand. The costs associated with increasing the capacity of the treatment plant will be paid by new users through the collection of development impact fees.

Project	Sewer Plant Improvements	Project No.	303a11
Category	Wastewater	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	Gilroy Treatment Plant

Project Description

Constructed in 1994, the South County Regional Wastewater Authority (SCRWA) treatment plant requires ongoing maintenance and improvement while also implementing new standards from the State Water Resources Control Board. Projects are identified in the FY 2016-2021 SCRWA Capital Improvement Budget and are funded through wastewater rate payers.

Some of the major projects in FY 16/17 include: Aeration System ($400,000), Secondary Clarifier ($300,000), Pre-Anoxic Basin ($500,000), SCADA Communication Network ($950,000). The City of Morgan Hill is responsible for 41.9% of the project costs.

Project Justification

Ongoing plant maintenance and repairs are performed to increase efficiency and reliability and necessary to maintain the plant's operating license.

Expenditure Schedule & Category

Wastewater: 303a11

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86360 - Construction	$1,183,000	$80,000	$80,000	$80,000	$230,000	$13,000
PROJECT COST	**$1,183,000**	**$80,000**	**$80,000**	**$80,000**	**$230,000**	**$13,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f641 - Sewer Impact Fund	$633,000					
f643 - Sewer CIP Fund	$550,000	$80,000	$80,000	$80,000	$230,000	$13,000
FUNDING TOTALS	**$1,183,000**	**$80,000**	**$80,000**	**$80,000**	**$230,000**	**$13,000**

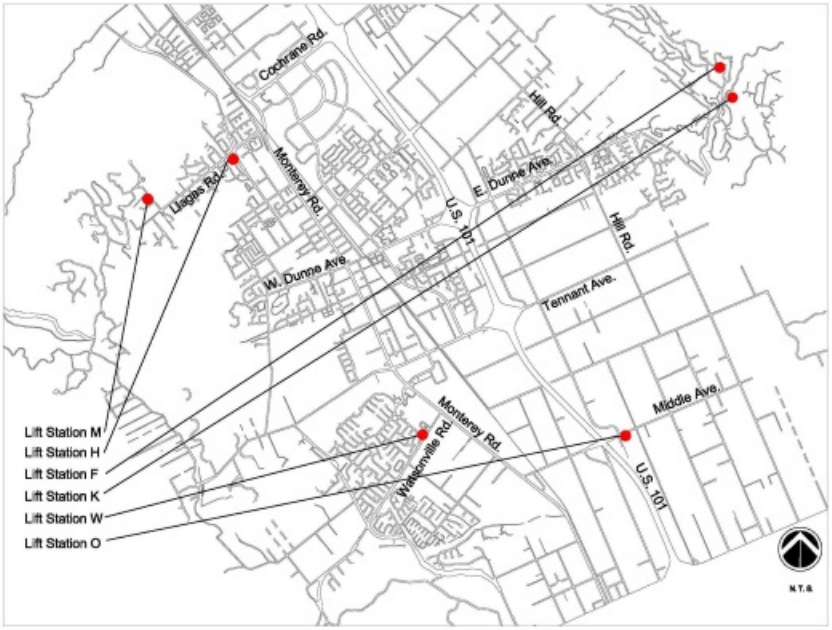
Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■						
Right-of-Way Acquisition & Permitting																								
Construction			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Project Closeout																								

Operating Cost Impacts

The ongoing costs of this Capital Project program are expected to decline after peaking in FY 15/16. Much of the treatment plant's critical infrastructure will have been replaced. These replacement assets will reduce the likelihood of costly emergency repairs.

Project	Lift Station Improvements	Project No.	304000
Category	Wastewater	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	Citywide



Project Description

The City's fourteen (14) lift stations are periodically repaired and upgraded as part of the ongoing maintenance program.

During FY 15/16 Lift Stations D, F, J, K & W repairs and upgrades were designed. FY 16/17 will see the construction of these five stations including coating the transfer wells, new motor assemblies, controls and electrical components. These improvements are necessary because each station was at the end of their life expectancy.

Lift Stations F-LS: Replace 900 LF Force Main: FY 16/17 - There are approximately 900' of force main, connected to Lift Station F that must be replaced as it is difficult to access and the piping is failing.

Project Justification

This ongoing program of rehabilitating the City's lift stations reduces overflows and ensures their compliance with the Regional Water Quality Control Board requirements. Replacing the Lift Station F force main for better access will allow crews to discover and respond faster to pipe failures in the future. The existing force main for Lift Station F has ruptured before, a signal that the pipeline has reached its end of life cycle.

Expenditure Schedule & Category

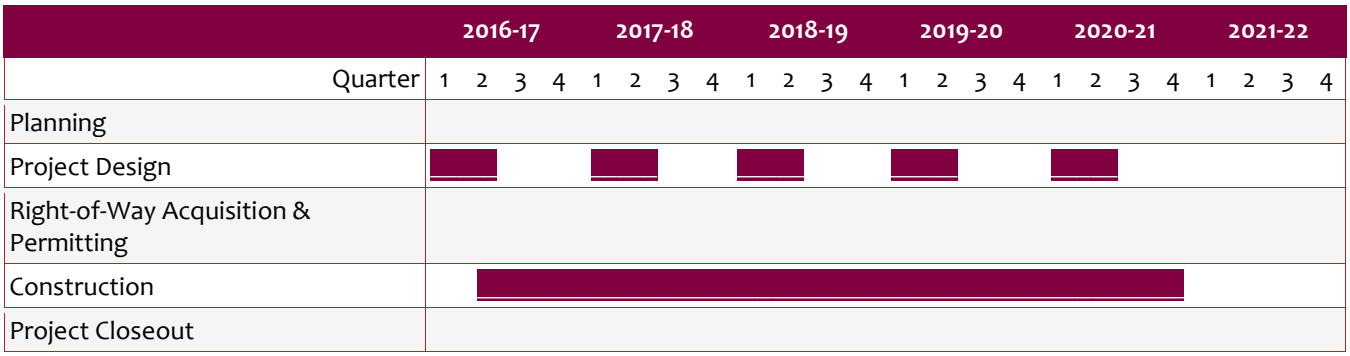
Wastewater: 304000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	$120,000	$35,000				
86220 - Architecture and Design	$318,000	$95,000	$20,000	$25,000	$168,000	
86360 - Construction	$2,584,000	$1,609,000	$170,000	$213,000	$1,424,000	
86530 - Project Implementation	$160,000	$247,000	$10,000	$12,000	$84,000	
PROJECT COST	**$3,182,000**	**$1,986,000**	**$200,000**	**$250,000**	**$1,676,000**	

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f641 - Sewer Impact Fund	$318,000	$1,591,000	$200,000	$250,000	$800,000	
f643 - Sewer CIP Fund	$2,864,000	$395,000			$876,000	
FUNDING TOTALS	**$3,182,000**	**$1,986,000**	**$200,000**	**$250,000**	**$1,676,000**	

Estimated Project Schedule



Operating Cost Impacts

Investing in the lift station rehabilitation program ensures safety and reliability by minimizing the risk of sanitary sewer overflows and reduces the City's exposure to high cost emergency repairs.

Project	New Trunk Line	Project No.	308a08
Category	Wastewater	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	Morgan Hill to SCRWA Treatment Plant

Project Description

A parallel sewer trunk line is necessary to facilitate the City's planned growth. The project is staged over several years to span the distance between Morgan Hill and the SCRWA treatment plant. The treatment plant will complete a planned expansion by 2021. The new trunk line is scheduled to complete the last segment at that time.

FY 16/17: Design of approximately 21,000 Linear Feet of 30" Sewer Trunk Line from Highland Avenue to Las Animas Avenue.

FY 17/18: Construction of approximately 21,000 Linear Feet of 30" Sewer Trunk Line from Highland Avenue to Las Animas Avenue. Design of approximately 16,000 Linear Feet of 30" Sewer Trunk Line from Las Animas Avenue to Renz Road.

Project Justification

The City's Master Plan anticipates a level of growth within the community. The rate of growth drives the need for expanded capacity in the sewer trunk line and the capacity of the SCRWA treatment plant. Cost for expanding capacity of the trunk line will be covered by the collection of sewer impact fees.

Expenditure Schedule & Category

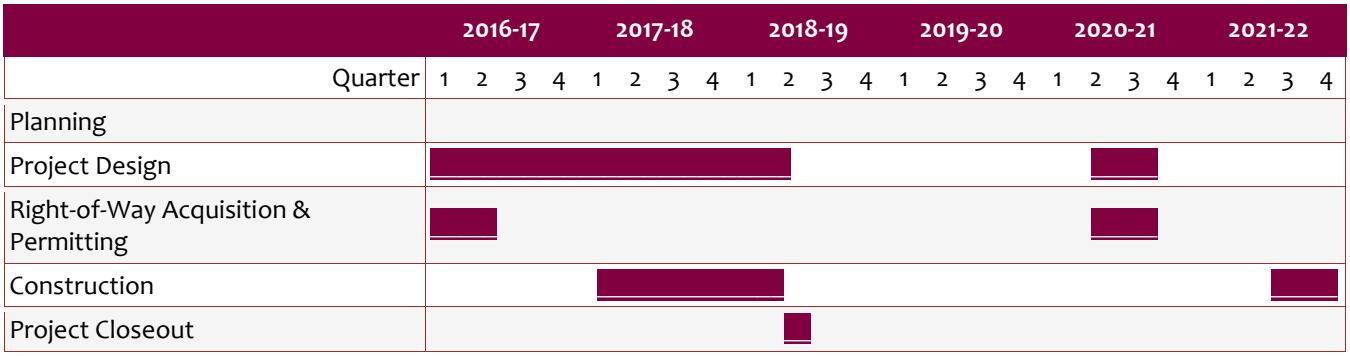
Wastewater: 308a08

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design		$294,000				
86360 - Construction	$2,570,000	$7,250,000			$500,000	$3,000,000
86530 - Project Implementation	$75,000	$147,000	$127,000			
PROJECT COST	**$2,645,000**	**$7,691,000**	**$127,000**		**$500,000**	**$3,000,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f641 - Sewer Impact Fund	$2,645,000	$7,466,000	$127,000		$500,000	$3,000,000
f643 - Sewer CIP Fund		$225,000				
FUNDING TOTALS	**$2,645,000**	**$7,691,000**	**$127,000**		**$500,000**	**$3,000,000**

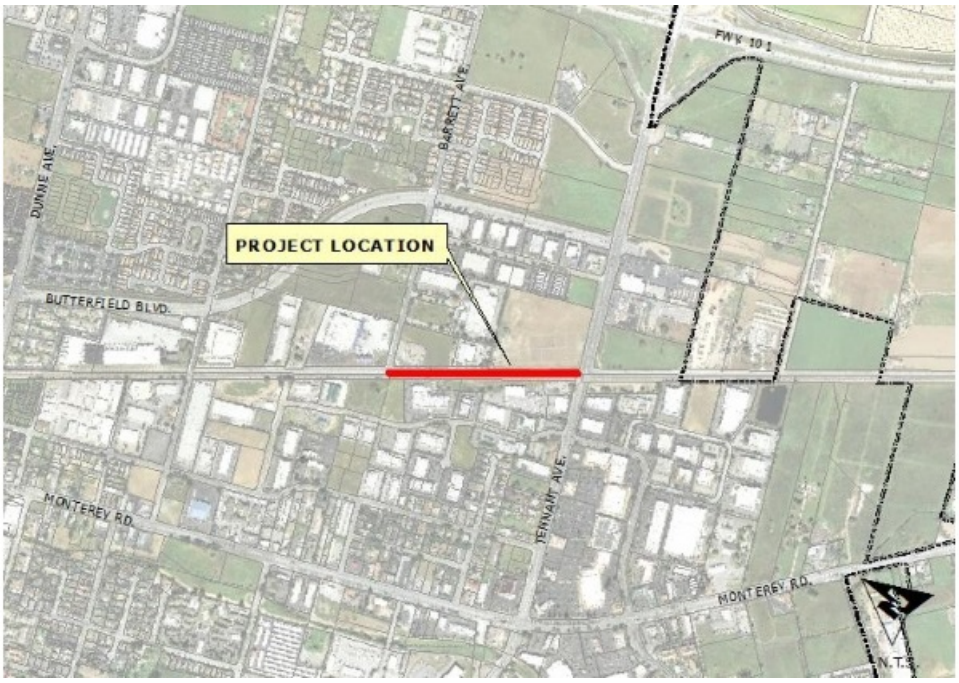
Estimated Project Schedule



Operating Cost Impacts

There are minimal on-going costs, however, some costs are reduced due to elimination of system bottlenecks and the subsequent reduction in emergency maintenance.

Project	New Sewer Mains	Project No.	315006
Category	Wastewater	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	Citywide



Project Description

In FY 16/17, a new sewer main on Railroad between Barrett and Tennant will be installed. A new sewer main on Tennant between Railroad and Monterey will be designed and constructed in FY 17/18.

FY 16/17: Railroad Ave: between Barrett & Tennant
FY 17/18: Tennant: between Railroad & Monterey Rd
FY 17/18: Tennant: Railroad Crossing

A new CIP is being prepared as part of the new Water Master Plan to be completed in early FY 16/17. Future sewer main projects will be defined including scope and timing of the projects in the new CIP. The spending plan above will be updated once the new project schedule is defined.

Project Justification

New sewer mains are required to provide adequate capacity and support development-related growth.

Expenditure Schedule & Category

Wastewater: 315006

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$21,000	$107,000				
86360 - Construction	$789,000	$803,000	$600,000			
86530 - Project Implementation	$20,000	$159,000				
PROJECT COST	**$830,000**	**$1,069,000**	**$600,000**			

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f641 - Sewer Impact Fund	$208,000	$1,069,000	$600,000			
f643 - Sewer CIP Fund	$622,000					
FUNDING TOTALS	**$830,000**	**$1,069,000**	**$600,000**			

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design	■	■	■		■	■			■	■														
Right-of-Way Acquisition & Permitting																								
Construction					■	■	■	■	■	■	■	■	■	■	■	■								
Project Closeout							■							■										

Operating Cost Impacts

Operating costs are offset by revenues from new users.

Project	New Well Property/Construction	Project No.	601000
Category	Water	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	Citywide

Project Description

New water wells are required to meet the City's water supply needs as Morgan Hill grows. The new wells also provide the necessary reliability during drought conditions.

To increase available water sources and to provide for more reliability during the drought, the City, during FY 14/15, accelerated the replacement of two poorly performing wells (Boys Ranch #2 and Jackson #3) and also accelerated the development of two new wells (E. Main Avenue and Walnut Grove). Drilling of the four new wells (Phase I) will be completed by the end of FY15/16. Phase II begins in FY 16/17 with the reconstruction of existing well buildings for Boys Ranch #2 and Jackson #3 well sites. Phase III also begins in FY 16/17 with the construction of new well buildings for the East Main Avenue Well and the Walnut Grove Well.

Future well projects are anticipated in the upcoming Water Master Plan.

Project Justification

New wells are identified in the 2002 Water Master Plan and reflect the need for additional capacity as the community continues to develop and demand additional water resources. The 2002 Water Master Plan is updated in FY 15/16 and the need for future wells will be identified in order to meet new demand.

Expenditure Schedule & Category

Water: 601000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	$35,000					
86220 - Architecture and Design	$193,000			$114,000		
86360 - Construction	$1,639,000			$969,000		
86530 - Project Implementation	$96,000			$57,000		$90,000
PROJECT COST	**$1,963,000**			**$1,140,000**		**$90,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund	$1,963,000			$1,140,000		$90,000
FUNDING TOTALS	**$1,963,000**			**$1,140,000**		**$90,000**

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

This project will increase maintenance and operating costs which will be offset by increase in revenues from new users.

Project	New Water Reservoirs	Project No.	602000
Category	Water	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	Citywide

Project Description

The 2002 Water Master Plan identified the need for several additional water reservoirs which will increase storage capabilities and fire protection and assist meeting peak demand levels. East Dunne reservoir is the priority project for the near term. In FY15/16 a new tank at East Dunne Avenue and Flaming Oaks Lane with a capacity of 850,000 gallons is being designed. Construction is to occur in FY 16/17. The reservoir will provide storage volume for the Jackson Oaks and Holiday pressure zones. This tank will also eliminate the booster pumps that currently feed the Holiday 2 and 3 pressure zones.

Project Justification

Reservoirs allow the City to meet peak demand, but also reduce electrical costs since they typically operate during off-peak times. Additional tanks also create redundancy in the system which allows the City to continually provide water for consumption and fire protection, even while other components may be off-line due to maintenance, repair, or natural disaster. The 2002 Water Master Plan is currently being updated and the need for future reservoirs will be identified to meet capacity needs. For planning purposes at least one new reservoir is anticipated for design at the end of the capital planning period (2020 - 2022). Funding for a future reservoir is included for the out years. When the Water System Master Plan is completed in 2016 the CIP will be revised to included system needs.

Expenditure Schedule & Category

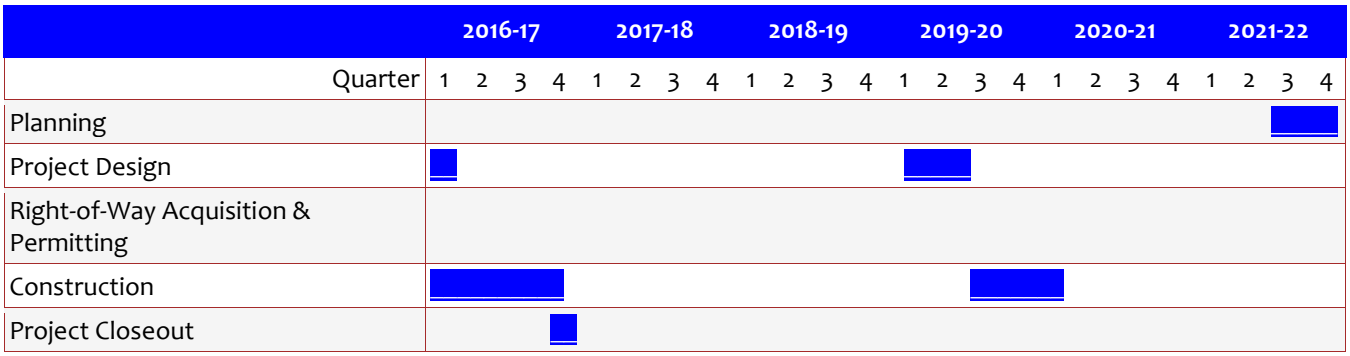
Water: 602000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	$100,000				$300,000	
86220 - Architecture and Design					$50,000	
86360 - Construction	$2,500,000					
86530 - Project Implementation	$120,000				$20,000	
PROJECT COST	**$2,720,000**				**$370,000**	

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund	$680,000					
f653 - Water CIP Fund	$2,040,000				$370,000	
FUNDING TOTALS	**$2,720,000**				**$370,000**	

Estimated Project Schedule



Operating Cost Impacts

This project will increase maintenance and operating costs which will be offset by increased water sales.

Project	New Water Mains	Project No.	603000
Category	Water	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	Citywide

Project Description

Ongoing development results in greater demand for water services and thus new water mains are required for distributing water to the new areas.

The E. Dunne Hill Reservoir Water Main Project was designed in FY 15/16 to install approximately 4,000 feet of 16" transmission main to supply water to the new 850,000 gallon reservoir near Flaming Oaks Lane from the existing E. Dunne Booster Station. Construction of the transmission piping project is scheduled for FY 16/17. The combination of the new transmission main, the new reservoir and modifications to the existing E. Dunne Booster station will significantly improve water storage capacity and fire protection for the surround area.

A new CIP is being prepared as part of the new Water Master Plan to be completed in early FY 16/17. Future water main projects will be defined including scope and timing of the projects in the new CIP. The spending plan below will be updated once the new project schedule is defined.

Project Justification

The new water mains will ensure that there is an adequate distribution system enabling the City to meet new water demands.

Expenditure Schedule & Category

Water: 603000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	$35,000					
86220 - Architecture and Design			$25,000	$25,000	$25,000	$25,000
86360 - Construction	$1,221,000		$160,000	$160,000	$160,000	$160,000
86530 - Project Implementation	$69,000		$15,000	$15,000	$15,000	$15,000
PROJECT COST	**$1,325,000**		**$200,000**	**$200,000**	**$200,000**	**$200,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund	$884,000		$200,000	$200,000	$200,000	$200,000
f653 - Water CIP Fund	$441,000					
FUNDING TOTALS	**$1,325,000**		**$200,000**	**$200,000**	**$200,000**	**$200,000**

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

This project will increase maintenance and operating costs which will be offset by water sales in some instances.

Project	Booster Pump Rehabilitation	Project No.	607000
Category	Water	**Department**	Public Works
Council Priorities	Enhancing Public Safety. Maintaining Fiscal Responsibility.	**Location**	City Booster Stations

Project Description

The City has an ongoing maintenance program for the repairs and updates for the City's ten (10) water booster stations. Projects in FY 16/17 include the retrofit of the E. Dunne Booster Station. This project will reconfigure the station to also serve the E. Dunne Hill Reservoir Water Main Project and the new 850,000 gallon reservoir near Flaming Oaks Lane to support the new Hill Reservoir. This project will also support the FY15/16 Oak Canyon Booster Station currently under construction. The combination of the new transmission main, the new reservoir and modifications to the existing E. Dunne Booster station will significantly improve water storage capacity and fire protection for the surround area.

A new CIP is being prepared as part of the new Water Master Plan to be completed in early FY 16/17. Future booster pump station rehabilitation projects will be defined including scope and timing of the projects in the new CIP. The spending plan below will be updated once the new project schedule is defined.

Project Justification

In order to ensure system reliability, the booster stations are on a scheduled maintenance program.

Expenditure Schedule & Category

Water: 607000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$30,000					$80,000
86360 - Construction	$253,000					$970,000
86530 - Project Implementation	$30,000					$50,000
PROJECT COST	**$313,000**					**$1,100,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund	$240,000					
f653 - Water CIP Fund	$73,000					$1,100,000
FUNDING TOTALS	**$313,000**					**$1,100,000**

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

Investing in the booster station rehabilitation program ensures safety and reliability, and reduces emergency repair costs.

Project	Rehabilitate Water Wells	Project No.	608000
Category	Water	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Protecting the Environment	**Location**	City Water Wells

Project Description

The City has an ongoing maintenance program of repairs/updates for the City's seventeen (17) active water wells.

During FY 14/15, the City accelerated the replacement of two poorly performing wells (Boys Ranch #2 and Jackson #3) and the development of two new wells (E. Main Avenue and Walnut Grove) to increase available water source and to provide for more reliability. Drilling of the four new wells (Phase I) will be completed by the end of FY15/16. Phase II begins in FY 16/17 with the reconstruction of existing well buildings for Boys Ranch #2 and Jackson #3 well sites.

Future well projects are anticipated and a place holder project is shown in FY 21/22. A new CIP is being prepared as part of the new Water Master Plan to be completed in early FY 16/17. Future well projects will be clearly defined including scope and timing of the projects in the new CIP.

Project Justification

In order to ensure system reliability, the water wells are on a scheduled maintenance program.

Expenditure Schedule & Category

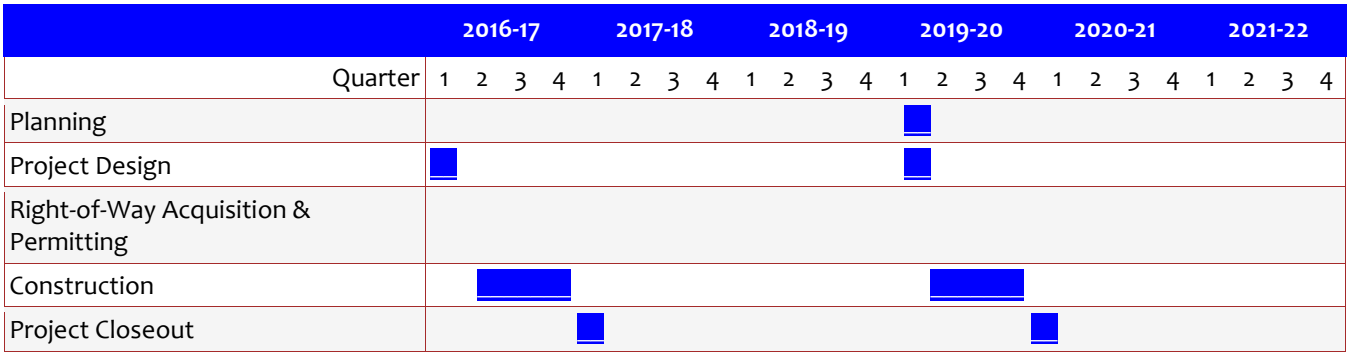
Water: 608000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services	$40,000			$40,000		
86220 - Architecture and Design	$94,000			$50,000		
86360 - Construction	$399,000			$500,000		
86530 - Project Implementation	$47,000			$40,000		
PROJECT COST	**$580,000**			**$630,000**		

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f653 - Water CIP Fund	$580,000			$630,000		
FUNDING TOTALS	**$580,000**			**$630,000**		

Estimated Project Schedule



Operating Cost Impacts

Investing in the water well rehabilitation program ensures safety and reliability, and reduces emergency repair costs.

Project	Water Main Replacement	Project No.	610000
Category	Water	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	Citywide

Project Description

The City has approximately 182 miles of water pipelines in its water distribution system ranging in age. Replacement of aging pipelines is a routine, ongoing program.

In FY17/18 and FY18/19, the existing transmission main feeding the existing Holiday 1 & 2 Reservoirs will be replaced to improve water storage capacity and fire protection for the surround area.

Future water main projects will be identified with the completion of the new Water System Master Plan in early FY 16/17 as part of the General Plan Update. The budget below anticipates projects in future years and will be updated once the new CIP is produced.

Project Justification

In order to ensure system reliability, the City's water mains are on a scheduled maintenance/ replacement program.

Expenditure Schedule & Category

Water: 610000

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86200 - Professional Services			$35,000	$35,000	$35,000	
86220 - Architecture and Design			$70,000	$70,000	$70,000	$80,000
86360 - Construction			$595,000	$595,000	$300,000	$970,000
86530 - Project Implementation			$35,000	$35,000	$25,000	$50,000
PROJECT COST			**$735,000**	**$735,000**	**$430,000**	**$1,100,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f653 - Water CIP Fund			$735,000	$735,000	$430,000	$1,100,000
FUNDING TOTALS			**$735,000**	**$735,000**	**$430,000**	**$1,100,000**

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

Investing in the water main replacement program ensures safety and reliability, and reduces emergency repair costs.

Project	Recoat Water Reservoir/Tank	Project No.	620007
Category	Water	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Maintaining Fiscal Responsibility	**Location**	City Water Storage Reservoirs

Project Description

The City has thirteen (13) water tanks/reservoirs that must be maintained in accordance with American Water Works Association (AWWA) standards. A typical re-coating includes the removal of the old coating, application of a new internal epoxy coating, corrosion-resistant paint on the exterior surface and structural repairs and required upgrades.

In FY 21/22, the El Toro Tank rehabilitation will be finished, and repairs and stabilization to the access road (due to it being adjacent to the hillside) will be completed.

Project Justification

The ongoing re-coating project is required for compliance with the City's Water System Operating permit issued by the Department of Public Health. Each re-coating typically lasts for 15-25 years depending on the tank location and other environmental factors.

Expenditure Schedule & Category

Water: 620007

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design						$20,000
86360 - Construction						$170,000
86530 - Project Implementation						$10,000
PROJECT COST						**$200,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f653 - Water CIP Fund						$200,000
FUNDING TOTALS						**$200,000**

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

There is no significant ongoing fiscal impact associated with the reservoir/tank re-coating project.

Project	Water Supply Planning	Project No.	623014
Category	Water	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Protecting the Environment	**Location**	Citywide

Project Description

The City continues to face water supply challenges as drought conditions persist throughout much of California. The City Council has directed staff to expand its water supply planning efforts to include use of recycled water, stormwater capture, and to explore the use of other surface water supplies. This work began when with the completion of the 2015 Morgan Hill Recycled Water Feasibility Evaluation which identified some of the challenges of bringing recycled water to the City. This project would begin the planning and technical studies necessary to position the City to use recycled water and stormwater for groundwater recharge. It will also look at securing additional long term surface water supplies in cooperation with SCVWD and City of Gilroy. Some key tasks will include:

o Identifying suitable groundwater recharge locations that meet indirect potable reuse regulatory requirements
o Groundwater modeling to evaluate flow patterns and impact of well pumping
o Tracer studies to determine groundwater travel times
o Identifying stormwater infiltration areas
o Technical and legal review of recycled water requirements
o Exploring municipal system expansion with well abandonment opportunities
o Options for long term surface water supply rights

The project would also plan for the acquisition of acceptable recharge sites once the sites were identified. The planned start for land acquisition is in 2018.

Project Justification

The City's water system relies on groundwater as its sole source municipal water. The proposed project seeks to find ways to maintain if not increase the capacity of water storage in the Llagas groundwater basin which would directly benefit the City's water system.

Expenditure Schedule & Category

Water: 623014

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design	$90,000	$90,000	$270,000	$230,000	$230,000	$50,000
86530 - Project Implementation	$10,000	$10,000	$30,000	$20,000	$20,000	
PROJECT COST	**$100,000**	**$100,000**	**$300,000**	**$250,000**	**$250,000**	**$50,000**

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f651 - Water Impact Fund	$100,000	$100,000	$100,000	$50,000	$50,000	$50,000
f653 - Water CIP Fund			$200,000	$200,000	$200,000	
FUNDING TOTALS	**$100,000**	**$100,000**	**$300,000**	**$250,000**	**$250,000**	**$50,000**

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

Investing in a water supply will help to identify opportunities to providing consistent water supply to the community.

Project	Well Demolition and Abandonment	Project No.	625016
Category	Water	**Department**	Public Works
Council Priorities	Enhancing Public Safety, Protecting the Environment	**Location**	Condit, Tenant, Cochrane Wells

Project Description

The City has three production wells which are no longer in service: 1) Condit Well, 2) Tenant Well, 3) Cochrane Well.

The wells are no longer in service because of low production rate and/or poor water quality. This project would confirm the issues limiting or prohibiting well projection and then demolish appurtenances and abandon the well(s) per state requirements. The project would surplus any real property deemed no longer usable to the water utility.

The project will be funded using a portion of the available monies in FY 2018 as identified in the 2015 NBS Rate Study for Future Projects.

Project Justification

This is to comply with State requirements.

Expenditure Schedule & Category

Water: 625016

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
86220 - Architecture and Design		$66,000				
86360 - Construction		$235,000				
86530 - Project Implementation		$99,000				
PROJECT COST		**$400,000**				

Funding Source(s)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
f653 - Water CIP Fund		$400,000				
FUNDING TOTALS		**$400,000**				

Estimated Project Schedule

	2016-17				2017-18				2018-19				2019-20				2020-21				2021-22			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Planning																								
Project Design																								
Right-of-Way Acquisition & Permitting																								
Construction																								
Project Closeout																								

Operating Cost Impacts

There are no operating budget impacts.

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THE USE OF CAPITAL FUNDS FOR CIP PROJECTS

This section describes the capital funds used for the construction of capital projects in the City's six-rear CIP. Each fund page includes a brief description of the fund, how that fund generates money for capital investment, limitations and other important factors relating to the use of that fund, and the goals for capital investment for that fund.

In accordance with the City's fiscal policies, capital improvements are financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility. As these funds are received, they are accumulated into specific fund categories for tracking purposes, and for use only for capital projects. Accordingly, development impact fees are created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities as needed to handle the demand for new services. Development impact fees and residential development control system (RDCS) fees are major funding sources in financing City improvements. However, revenues from these fees are subject to significant fluctuation based upon the rate of new development.

The following guidelines are followed in designing and building projects funded with development impact fees or Measure C fees:

- The availability of fees in funding a specific project will be analyzed on a case-by-case basis as plans and specifications or contract awards are submitted for City Manager or City Council approval.

- If adequate funds are not available at that time, the City Council will make one of two determinations:
  1) Defer the project until funds are available, or
  2) Based on the high-priority of the project, advance funds from other available City funds.

- Repayment of advances and related interest will be the first use of development impact funds and Measure C funds when they become available.

PRO FORMA AND HOW IT IS USED IN CAPITAL BUDGET PLANNING

A "pro forma" is a balance sheet that shows the balances projected to be available in each fund at the end of each fiscal year based on projected revenues (using conservative estimates) and a detailed program of expenditures as laid out in the 6-year CIP. Projects are funded on the basis of available funding. In those out-years, if the pro forma shows a negative fund balance, the decision will be made in the interim as to whether to move the project out, reduce the scope of work for that year, develop alternate revenue sources, or delete the project. These decisions will be made by aligning available funding with the overall goals of the 6-year CIP.

There are two tables at the bottom of each page that accomplish the following purpose:

- Project List Summary - This lists the projects that are funded (partially or in whole) by the use of that fund. Projects funded by more than one fund are listed again within the page(s) that describe the other participating funds.

- 6-Year Pro Forma - This shows the progression of fund balance within a particular fund over the next six years based on revenues received (as projected) and capital expenditures as programmed in the 6-Year CIP. The fund balance begins with the estimated beginning balance as of June 30, 2016.

215 - CDBG

Fund Description
The Community Development Block Grant (CDBG) is a special revenue fund used to account for Federal low and moderate income housing program funds. This fund is restricted to low and moderate income housing uses.

How this Fund Generates Money for Capital Investment
The fund is issued by the U.S. Department of Housing and Urban Development (HUD) to fund local community development activities such as affordable housing, anti-poverty programs, and infrastructure development.

Limitations and Other Important Factors
Overall uses allowed include: community development activities, construction of public facilities and improvements, construction and maintenance of neighborhood centers, and the conversion of school buildings, public services, and economic development and job creation/retention activities.

Goals for Capital Investment
In compliance with the intended CDBG purpose, the funds made available for the City's 6-Year CIP program will be used for ongoing Installment of curb ramps city-wide to make sidewalks more accessible for the disabled, improvements to recreational facilities located in eligible neighborhoods, and security improvements, such as surveillance cameras, in eligible locations.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
141016 - Galvan Park Improvements	$70,000					
Totals	**$70,000**					

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	($5,169)	$0	$0	$0	$0	$0	$0
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS							
Revenues - Other	$82,169	$70,000					
Expenditures - CIP Projects	$77,000	$70,000					
Expenditures - Other							
Ending Fund Balance	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

301 - Park Impact

Fund Description
Park Development Impact Fund revenues are received from developers of properties. The funds may only be used for the design, development and construction of new parks within the City. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment
New development creates the need for expanded inventory of parks facilities. Impact fee revenues are intended for the capital investment into new parks. The City imposes parks impact fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in the impact fee schedules.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Act. As residents are considered to be the primary users of parks, demand for parks and associated facilities is based on the City's residential population, rather than a combined resident-worker service population.

Goals for Capital Investment
The goal is to expand park facilities to meet the demands of a growing community. Prior to capital investment, a citywide assessment of potential park impact projects and an evaluation of trail needs vs. park needs will be reviewed and a prioritization plan will be established.

Revenues - Other in FY 16-17 includes anticipated grants in the amount of $1,660,000 for Downtown Parks Project and $185,000 for Galvan Park Improvement Project.

Expenditures - Other includes a transfer out to the General Fund (010) in the amounts of $60,000 to $75,000 annually.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
110097 - Parks Land Purchase and Development	$180,000	$2,150,000	$2,050,000	$70,000	$70,000	$70,000
117001 - West Little Llagas Creek Trail	$650,000	$435,000				
135013 - Downtown Parks	$3,801,000					
136014 - Parks Master Plan Update	$20,000					
137015 - Inclusive Playground	$300,000					
139016 - Sports Facilities Parking Lots	$25,000					
141016 - Galvan Park Improvements	$185,000					
Totals	**$5,161,000**	**$2,585,000**	**$2,050,000**	**$70,000**	**$70,000**	**$70,000**

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$10,751,523	$6,263,029	$2,838,882	$1,578,372	$846,095	$2,016,462	$3,205,320
Revenues - Impact Fees (AB1600)	$2,083,174	$1,828,520	$1,425,170	$1,425,170	$1,344,500	$1,344,500	$1,344,500
Revenues - Non-AB1600 RDCS							
Revenues - Other	$53,108	$22,075	$14,470	$9,211	$14,106	$34,258	$34,258
Expenditures - CIP Projects	$6,499,347	$5,161,000	$2,585,000	$2,050,000	$70,000	$70,000	$70,000
Expenditures - Other	$125,430	$113,742	$115,150	$116,658	$118,239	$119,899	$123,496
Ending Fund Balance	**$6,263,028**	**$2,838,882**	**$1,578,372**	**$846,095**	**$2,016,462**	**$3,205,321**	**$4,390,582**

302 - Park Maintenance

Fund Description
Park Maintenance/Development Fund receives revenues from developers of properties and the funds may only be used for the maintenance and development of the City's parks.

How this Fund Generates Money for Capital Investment
Funds received from developers through the RDCS process are deposited in the Park Maintenance Fund to pay for maintenance activity in parks or to improve or reduce maintenance activity. Transfers to the General Fund are periodically made to support park maintenance activities. Capital expenditures can be made at park facilities to address or minimize future maintenance efforts.

Limitations and Other Important Factors
Park Maintenance Funds are to be spent only on the maintenance activities in City parks. Expenditures made for capital improvements will deplete resources allocated in the future for ongoing operations and maintenance.

Goals for Capital Investment
There are no capital improvement projects identified in the current 6-Year CIP.

Expenditures - Other includes salaries and benefits, supplies, and internal services.

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$4,931,589	$5,415,479	$5,528,904	$5,483,779	$5,417,970	$5,307,962	$5,180,009
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS	$1,084,523	$748,000	$583,000	$583,000	$550,000	$550,000	$550,000
Revenues - Other	$330,092	$290,123	$305,026	$318,927	$331,784	$343,301	$343,301
Expenditures - CIP Projects	$5,622						
Expenditures - Other	$925,102	$924,698	$933,151	$967,737	$991,791	$1,021,254	$1,051,892
Ending Fund Balance	**$5,415,480**	**$5,528,904**	**$5,483,779**	**$5,417,969**	**$5,307,963**	**$5,180,009**	**$5,021,418**

303 - Local Drainage Impact

Fund Description
Local Drainage Impact Fund revenues are received from developers of properties and the funds may only be used for the design and construction of new storm drains. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment
New development creates the need for City to expand its inventory of public facilities and build new- or add on to current - infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council-adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in impact fee schedules.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Act. Most new development generates storm water runoff. This runoff must be controlled through storm drain facilities. Storm drain demand is measured by impervious (solid) surface. The more impervious surface a land use creates, the more demand for storm drain facilities it creates.

Goals for Capital Investment
The goal for this fund is to install improvements needed to service anticipated future growth in Morgan Hill.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
417099 - Llagas Flood Control		$20,000	$2,340,000	$2,790,000	$100,000	
Totals		**$20,000**	**$2,340,000**	**$2,790,000**	**$100,000**	

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$5,525,730	$6,928,294	$8,539,649	$10,328,835	$9,087,760	$7,342,642	$8,299,424
Revenues - Impact Fees (AB1600)	$1,471,896	$1,586,310	$1,752,791	$1,017,600	$960,000	$960,000	$960,000
Revenues - Non-AB1600 RDCS							
Revenues - Other	$39,194	$38,547	$70,093	$95,248	$99,040	$111,187	$111,187
Expenditures - CIP Projects	$83,941		$20,000	$2,340,000	$2,790,000	$100,000	
Expenditures - Other	$24,585	$13,502	$13,698	$13,923	$14,158	$14,405	$14,405
Ending Fund Balance	**$6,928,294**	**$8,539,649**	**$10,328,835**	**$9,087,760**	**$7,342,642**	**$8,299,424**	**$9,356,206**

304 - Local Drainage/Non AB 1600

Fund Description
Local Drainage Fund revenues are received from developers of properties and the funds may be used for the design, construction, and maintenance of storm drains.

How this Fund Generates Money for Capital Investment
Fees are paid by developers of properties.

Limitations and Other Important Factors
These funds are for use for design, the construction, and maintenance of the City's storm drain system.

Goals for Capital Investment
The goals for the use of this fund are to improve existing storm drainage systems and to mitigate existing capacity deficiencies for property frontage.

The Non-AB1600 fee portion has been eliminated from the Residential Development Control System (RDCS).

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
415097 - Storm Pipe Installation	$50,000	$150,000	$150,000	$150,000	$150,000	$150,000
Totals	**$50,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$1,194,059	$1,154,946	$1,184,759	$1,100,512	$1,017,932	$936,540	$855,855
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS	$38,500	$16,500					
Revenues - Other	$68,821	$68,235	$70,894	$72,797	$74,232	$75,199	$75,199
Expenditures - CIP Projects	$140,084	$50,000	$150,000	$150,000	$150,000	$150,000	$150,000
Expenditures - Other	$6,351	$4,922	$5,141	$5,377	$5,624	$5,883	$6,060
Ending Fund Balance	**$1,154,945**	**$1,184,759**	**$1,100,512**	**$1,017,932**	**$936,540**	**$855,856**	**$774,994**

306 - Agriculture & Open Space Preservation

Fund Description
This fund accounts for open space fees collected from developers. These funds are to be expensed for open space expenditures.

How this Fund Generates Money for Capital Investment
Funds collected are primarily used for acquiring properties for open space as part of the 6-Year CIP. They can also be used to acquire properties to mitigate the loss of agricultural lands.

Limitations and Other Important Factors
The funds are to be used for the acquisition of open space areas and for certain maintenance activities in open space areas.

Goals for Capital Investment
The City will continue to acquire lands for open space purposes which can include mitigation for the loss of agricultural lands as the City builds out or for recreational purposes. Revenues-Other includes interest income. Expenditures-Other includes contract services and transfer out to the General Plan Update.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
132008 - El Toro Trail	$320,000	$235,000				
139016 - Sports Facilities Parking Lots				$500,000		
140016 - Agricultural Preservation	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Totals	**$1,320,000**	**$1,235,000**	**$1,000,000**	**$1,500,000**	**$1,000,000**	**$1,000,000**

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$5,172,576	$6,087,908	$6,581,847	$6,754,593	$7,178,829	$7,119,011	$7,490,572
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS	$1,488,670	$1,912,186	$1,490,381	$1,490,381	$1,490,381	$1,406,019	$1,406,019
Revenues - Other	$36,635	$31,595	$49,589	$68,513	$86,947	$105,233	$106,285
Expenditures - CIP Projects	$500,000	$1,320,000	$1,235,000	$1,000,000	$1,500,000	$1,000,000	$1,000,000
Expenditures - Other	$109,972	$129,843	$132,224	$134,658	$137,146	$139,691	$143,882
Ending Fund Balance	**$6,087,909**	**$6,581,846**	**$6,754,593**	**$7,178,829**	**$7,119,011**	**$7,490,572**	**$7,858,994**

308 - Street CIP

Fund Description
This fund was established effective July 1, 2007. The fund accounts for resources and requirements for capital projects that support the City of Morgan Hills streets and roads. The fund has been separated from Street Operations, fund 202.The funds allocated, which are normally transfers from other revenue funds such as the Traffic Impact Fund 309, and grant reimbursements, may be expended on new streets, traffic signals, and improvements of existing streets.

How this Fund Generates Money for Capital Investment
The funds allocated, which are normally transfers from other revenue funds such as the Traffic Impact Fund 309 and grant reimbursements, may be expended on new streets, traffic signals, and improvements of existing streets. Since 2012, the City's Pavement Condition Index (PCI) has dropped from 76 to 67 and is now considered "at risk." The General Fund contributes for street improvement projects increased from $750,000 to $1,000,000 annually in each of the next three fiscal years, bringing the total estimated investment in the City's pavement rehabilitation and safety program in the Biennial Budget to $4.0 million, including gas tax funds and a grant. However, unless new revenue sources can be obtained in future years, the CIP includes a total of only $1.8 million (or $0.6 million each year) for fiscal years 19-20 through 21-22.

Limitations and Other Important Factors
This fund does not independently generate any revenues. For the most part, the funds used for street-related work have been primarily grants. Since grants are paid on a reimbursement basis: 1) the work is first completed, 2) a reimbursement request is submitted, and 3) in approximately 60-90 days a reimbursement check is received. Because award of a grant constitutes a "reimbursement promise" by the granting agency, it is not unusual for the process to overlap fiscal years, the work might be completed in one fiscal year, and the reimbursement is received in the new fiscal year.

Expenditures are only made on the assurance of funds to be received. Because Fund 308 has no income sources beyond grants, it occasionally receives loans from another fund so that the grant application process can be initiated (design work, renderings, studies, etc.). These loans are routinely repaid upon receipt of grant reimbursements for the project.

Goals for Capital Investment
The goals during this period are to continue with the pavement rehabilitation program and the assessment district streets.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
519000 - Pavement Rehabilitation Program	$1,995,000	$1,345,000	$1,350,000	$605,000	$610,000	$610,000
563013 - Assessment District - Streets	$705,000					
Totals	**$2,700,000**	**$1,345,000**	**$1,350,000**	**$605,000**	**$610,000**	**$610,000**

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$957,300	$23,132	$43,588	$44,612	$45,375	$46,106	$47,049
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS							
Revenues - Other	$1,579,340	$2,731,146	$1,357,235	$1,362,523	$618,070	$623,887	$623,887
Expenditures - CIP Projects	$2,503,314	$2,700,000	$1,345,000	$1,350,000	$605,000	$610,000	$610,000
Expenditures - Other	$10,194	$10,690	$11,211	$11,761	$12,338	$12,944	$13,333
Ending Fund Balance	**$23,132**	**$43,588**	**$44,612**	**$45,374**	**$46,107**	**$47,049**	**$47,603**

309 - Traffic Impact

Fund Description
Traffic Impact Fund revenues are received from developers if their projects have an adverse impact on traffic flows, streets, etc. The funds collected may be expended on new streets, traffic signals, and improvements of existing streets where they are impacted by new development. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment
Revenues result from the City's development impact fee program, through which new development pays the capital costs associated with growth. New development creates the need for City to expand its inventory of public facilities and build new- or add on to current- infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council-adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in impact fee schedules.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Act.

Goals for Capital Investment
The goals for this fund during this period are to expand transit and non-motorized travel opportunities, as needed to service anticipated future growth, including the Hale Avenue Extension Project. Expenditures-Other include a transfer to the General Plan Update.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
502000 - New Signal Construction	$25,000					
546007 - Hale Avenue Extension	$915,000	$2,985,000	$150,000			
561012 - Monterey Road Medians	$40,000					
575015 - Intersection Capacity Analysis	$15,000					
Totals	**$995,000**	**$2,985,000**	**$150,000**			

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$4,362,364	$3,935,097	$4,263,202	$2,588,439	$2,920,918	$3,386,524	$3,865,933
Revenues - Impact Fees (AB1600)	$946,199	$1,340,428	$1,322,730	$493,695	$465,750	$465,750	$465,750
Revenues - Non-AB1600 RDCS							
Revenues - Other	$29,856	$20,482	$25,557	$27,101	$38,454	$52,550	$52,550
Expenditures - CIP Projects	$1,279,000	$995,000	$2,985,000	$150,000			
Expenditures - Other	$124,322	$37,805	$38,050	$38,317	$38,598	$38,891	$40,058
Ending Fund Balance	**$3,935,097**	**$4,263,202**	**$2,588,439**	**$2,920,918**	**$3,386,524**	**$3,865,933**	**$4,344,175**

313 - Fire Impact

Fund Description
Fire Impact Fund revenues are derived from a fee charged to developers to cover the costs to construct public improvements required for Fire facilities as a result of new development. Expenditures may only be made for the future construction of the required new Fire facilities or to reimburse the City for sums advanced to construct such facilities. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment
New development creates the need for City to expand its inventory of public facilities and build new, or add on to current, infrastructure to handle the demands for new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth.

Goals for Capital Investment
There are no projects budgeted. Expenditures-Other include general administrative charges.

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$3,582,293	$3,643,156	$3,755,992	$3,235,092	$3,596,687	$3,965,173	$4,025,098
Revenues - Impact Fees (AB1600)	$64,579	$50,506	$66,920	$31,270	$29,500	$29,500	$29,500
Revenues - Non-AB1600 RDCS							
Revenues - Other	$22,540	$88,646	$27,657	$331,777	$340,508	$32,020	$32,020
Expenditures - CIP Projects							
Expenditures - Other	$26,256	$26,316	$615,477	$1,452	$1,522	$1,596	$1,644
Ending Fund Balance	**$3,643,156**	**$3,755,992**	**$3,235,092**	**$3,596,687**	**$3,965,173**	**$4,025,097**	**$4,084,974**

346 - Public Facilities/Non-AB 1600

Fund Description
Public Facilities Fund revenues are received from developers of properties and the funds may be used for the design, construction, and maintenance of public facilities or to reimburse the City for funds advanced to construct such facilities.

How this Fund Generates Money for Capital Investment
Fees are paid by developers of properties.

Limitations and Other Important Factors
The funds committed by developers are used specifically for design/construction of public off-site improvements.

Goals for Capital Investment
The goal of the use of this fund is to expand City facilities to accommodate growth, with an exception for Police and Fire. This fund is not intended for Police and Fire as they are funded by their own impact fees.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
502000 - New Signal Construction	$225,000		$480,000		$540,000	
512093 - Underground Monterey Utilities	$25,000					
568014 - Parking Lot Maintenance & Rehabilitation	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000
575015 - Intersection Capacity Analysis	$15,000					
Totals	**$305,000**	**$40,000**	**$520,000**	**$40,000**	**$580,000**	**$40,000**

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$666,296	($299,999)	$176,764	$749,679	$847,599	$1,397,281	$1,414,201
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS	$1,021,087	$785,400	$612,150	$612,150	$577,500	$577,500	$577,500
Revenues - Other	$5,162	$1,226	$5,806	$11,011	$17,632	$25,088	
Expenditures - CIP Projects	$1,893,737	$305,000	$40,000	$520,000	$40,000	$580,000	$40,000
Expenditures - Other	$98,808	$4,863	$5,041	$5,241	$5,450	$5,669	$5,839
Ending Fund Balance	**($300,000)**	**$176,764**	**$749,679**	**$847,599**	**$1,397,281**	**$1,414,200**	**$1,945,862**

347 - Public Facilities Impact

Fund Description
Public Facilities Impact Fund revenues are derived from fees charged to developers to cover the costs to construct public improvements required as a result of new development. Expenditures may only be made for the future construction of the required new facilities or to reimburse the City for funds advanced to construct such facilities. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment
Revenues result from the City's development impact fee program, through which new development pays the capital costs associated with growth. New development creates the need for City to expand its inventory of public facilities and build new- or add on to current- infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. A City Council-adopted "Impact Fee Report" provides the necessary findings required by the Act for adoption of the fees presented in impact fee schedules.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Act.

Goals for Capital Investment
The goals for the use of this fund during this period include the installation of electric vehicle charging stations at the various locations to better meet public needs and to improve amenities for more effective public participation.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
252016 - Corporation Yard Long Term Plan	$140,000					
570014 - Charging Stations - CCC/AC/CRC	$290,000		$85,000		$85,000	
Totals	**$430,000**		**$85,000**		**$85,000**	

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$63,719	$251,166	$2,234	$172,228	$223,491	$353,586	$400,571
Revenues - Impact Fees (AB1600)	$227,449	$181,638	$170,644	$135,680	$128,000	$128,000	$128,000
Revenues - Non-AB1600 RDCS							
Revenues - Other	$1,130	$607	$573	$1,858	$3,422	$5,369	$5,369
Expenditures - CIP Projects	$40,000	$430,000		$85,000		$85,000	
Expenditures - Other	$1,133	$1,177	$1,223	$1,274	$1,328	$1,384	$1,426
Ending Fund Balance	**$251,165**	**$2,234**	**$172,228**	**$223,492**	**$353,585**	**$400,571**	**$532,514**

348 - Library Impact

Fund Description
Library Impact Fund revenues are derived from a fee charged to developers to cover the costs to construct library improvements required as a result of new development. Expenditures may only be made for the future construction of the required new library facilities or to reimburse the City for funds advanced to construct such facilities. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment
New development creates the need for City to expand its inventory of public facilities and build new, or add on to current, infrastructure to handle the demands for new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, by which the City identifies and directs its fee revenue to new public facilities/infrastructure projects that will accommodate future growth.

Goals for Capital Investment
The goal for the use of this fund is to fund the design for the expansion of the Morgan Hill Library. Expenditures-Other includes the Transfers Out for Bond/Debt. Sufficient Library Impact Funds are available to complete Phase I & II. Any shortfall will be made up with a temporary interfund loan. Phase III will be put on hold until sufficient revenues are generated. Revenue-Other includes library rent, and for FY 17/18, it includes a transfer from Fire Impact Fund 313.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
251015 - Library Expansion	$115,000	$3,330,000				
Totals	**$115,000**	**$3,330,000**				

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$1,403,385	$1,809,815	$2,293,305	$0	$140,653	$254,133	$670,363
Revenues - Impact Fees (AB1600)	$830,466	$671,160	$523,110	$523,110	$493,500	$493,500	$493,500
Revenues - Non-AB1600 RDCS							
Revenues - Other	$143,144	$142,243	$727,399	$128,150	$132,476	$138,698	$138,698
Expenditures - CIP Projects	$320,000	$115,000	$3,330,000				
Expenditures - Other	$247,180	$214,913	$213,814	$510,607	$512,495	$215,968	$215,968
Ending Fund Balance	**$1,809,815**	**$2,293,305**	**$0**	**$140,653**	**$254,134**	**$670,363**	**$1,086,593**

350 - Undergrounding

Fund Description
Undergrounding Fund receives revenues from developers for the undergrounding of utilities in areas of new development. Expenditures may be made from these funds only for the design and construction associated with such undergrounding.

How this Fund Generates Money for Capital Investment
Fees are paid by developers of properties. In FY 16/17, $1,054,971 of Rule 20A funds will be received from PG&E for work on the Undergrounding Monterey Utilities Project (512093).

Limitations and Other Important Factors
These funds must be used for undergrounding of utilities in areas of new development.

Goals for Capital Investment
The goals for this fund during this period are the placement of overhead utilities in underground conduits and vaults to eliminate safety hazards and unsightly conditions. To make the most effective use of these funds, it is necessary to aggregate multiple years of revenues and apply them towards a larger utility undergrounding project.

Funding for the Underground Monterey Utilities (512093) project is budgeted in FY 15/16.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
512093 - Underground Monterey Utilities						
Totals						

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$352,009	($711,188)	$392,575	$445,272	$499,483	$555,454	$613,431
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS		$50,100	$50,100	$50,100	$50,100	$50,100	$50,100
Revenues - Other	$2,263	$1,054,176	$3,136	$4,677	$6,465	$8,501	
Expenditures - CIP Projects	$1,064,971						
Expenditures - Other	$489	$513	$539	$566	$594	$624	$643
Ending Fund Balance	**($711,188)**	**$392,575**	**$445,272**	**$499,483**	**$555,454**	**$613,431**	**$662,888**

355 - School Pedestrian & Traffic Safety

Fund Description
This fund accounts for the revenues and expenditures related to the collection and use of development fees for pedestrian and traffic safety capital improvements at or near schools.

How this Fund Generates Money for Capital Investment
This fund receives revenues from residential developers who make school pedestrian safety monetary commitments to score points under the Residential Development Control System (RDCS) program.

Limitations and Other Important Factors
These funds are to be expended on projects that enhance the safety of school children going to and from school.

Goals for Capital Investment
The goal for the use of this fund during this period is for the construction of school safety projects in collaboration with the local schools, downtown parks, and sidewalk repairs. Revenues-Other includes the School Pedestrian & Traffic Safety (Account 37655).

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
135013 - Downtown Parks	$250,000					
551008 - RDCS School Safety Improvements	$345,000	$530,000	$390,000	$290,000	$290,000	$290,000
574015 - Sidewalk Repairs	$340,000	$340,000	$80,000	$80,000	$80,000	$80,000
Totals	**$935,000**	**$870,000**	**$470,000**	**$370,000**	**$370,000**	**$370,000**

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$1,364,162	$1,242,485	$969,841	$639,584	$630,712	$699,919	$772,107
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS							
Revenues - Other	$508,362	$666,766	$544,341	$465,930	$444,224	$447,429	$447,429
Expenditures - CIP Projects	$615,215	$935,000	$870,000	$470,000	$370,000	$370,000	$370,000
Expenditures - Other	$14,824	$4,410	$4,598	$4,802	$5,016	$5,241	$5,398
Ending Fund Balance	**$1,242,485**	**$969,841**	**$639,584**	**$630,712**	**$699,920**	**$772,107**	**$844,138**

360 - Com/Rec Ctr Impact

Fund Description
This fund was set up to collect revenues derived from a fee charged to developers to cover the costs to construct new community centers within Morgan Hill. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment
Impact Fee would only be charged against residential development and would charge developers $3,570 for a single family residential unit. The alternative Planned Facilities Standard would charge $3,570 for a single family residential unit.

Limitations and Other Important Factors
Revenues are collected to finance the expansion of existing and construction of new recreation and community center facilities demanded by new development.

Goals for Capital Investment
The City plans to use recreation and community center facilities fee revenue to construct improvements to add to the system of recreation and community center facilities that serves new development. Fee revenue will fully fund the $13.3 million in planned recreation and community center facilities identified.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
138016 - Centennial Recreation Center Expansion		$160,000	$2,070,000			
139016 - Sports Facilities Parking Lots				$145,000	$885,000	
Totals		**$160,000**	**$2,070,000**	**$145,000**	**$885,000**	

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$58,927	$293,069	$1,543,068	$2,368,342	$1,287,032	$2,078,223	$2,139,513
Revenues - Impact Fees (AB1600)	$293,040	$1,245,420	$970,695	$970,695	$915,750	$915,750	$915,750
Revenues - Non-AB1600 RDCS							
Revenues - Other	$365	$4,579	$14,579	$17,995	$20,441	$30,540	$30,540
Expenditures - CIP Projects			$160,000	$2,070,000	$145,000	$885,000	
Expenditures - Other	$59,263						
Ending Fund Balance	**$293,069**	**$1,543,068**	**$2,368,342**	**$1,287,032**	**$2,078,223**	**$2,139,513**	**$3,085,803**

641 - Sewer Impact

Fund Description
The Sewer Impact Fund receives revenues from developer charges to cover the costs to construct sewer improvements required as a result of new development. Expenditures may only be made for the construction of the required improvements or to reimburse the City for funds advanced to construct such improvements. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment
New development creates the need for City to expand its inventory of public facilities and build new- or add on to current- infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000. A City Council-adopted "Impact Fee Report" provides the necessary findings required for adoption of the fees.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, to build out new public facilities/infrastructure projects to accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Act.

Goals for Capital Investment
The goals for this fund during this period are to expand and improve the sewer enterprise system to accommodate anticipated future growth. Revenues-Other includes interest income. Expenditures-Other includes interest payment for the 2015 Sewer Revenue Bonds. FY 15/16 Year-End Projected expenditures include the budget carryover for payments to the South County Regional Wastewater Authority (SCRWA) treatment plant for the Sewer Plant Expansion and Sewer Plant Improvement projects..

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
303093 - Sewer Plant Expansion (SCRWA)	$693,000	$1,279,000	$4,152,000	$3,053,000	$1,684,000	$421,000
303a11 - Sewer Plant Improvements	$633,000					
304000 - Lift Station Improvements	$318,000	$1,591,000	$200,000	$250,000	$800,000	
308a08 - New Trunk Line	$2,645,000	$7,466,000	$127,000		$500,000	$3,000,000
315006 - New Sewer Mains	$208,000	$1,069,000	$600,000			
Totals	**$4,497,000**	**$11,405,000**	**$5,079,000**	**$3,303,000**	**$2,984,000**	**$3,421,000**

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$16,839,672	$7,082,040	$8,190,724	$1,444,935	$32,071	$174,582	$635,173
Revenues - Impact Fees (AB1600)	$4,835,106	$5,670,371	$4,727,753	$3,758,495	$3,545,750	$3,545,750	$3,545,750
Revenues - Non-AB1600 RDCS							
Revenues - Other	$92,294	$62,457	$59,474	$36,436	$29,382	$29,395	$29,395
Expenditures - CIP Projects	$14,633,850	$4,497,000	$11,405,000	$5,079,000	$3,303,000	$2,984,000	$3,421,000
Expenditures - Other	$51,182	$127,144	$128,016	$128,795	$129,621	$130,554	$134,470
Ending Fund Balance	**$7,082,040**	**$8,190,724**	**$1,444,935**	**$32,071**	**$174,582**	**$635,173**	**$654,848**

643 - Sewer Capital Project

Fund Description
This fund was established to avoid fluctuations in the sewer rates charged by providing reserve funding for future system replacements. The fund was initially funded with one-time revenues. The initial contribution to the System Replacement Fund was $1,300,000 from the Sewer Operations Fund. Future funding will come from transfers from the Operations Fund when available.

How this Fund Generates Money for Capital Investment
Funding comes from transfers from the Sewer Operations Fund, when available.

Limitations and Other Important Factors
The projects paid for through this fund are projects for the purpose of rehabilitation and replacement work for the City's wastewater system.

Goals for Capital Investment
The goals for this fund during this period consist of improvements to enhance system reliability and maintenance of existing system deficiencies. Revenues-Other includes transfers from the Sewer Operations Fund (640) for debt service payments and capital improvement projects. Expenditures-Other includes principal and interest payments for the 2015 Sewer Revenue Bonds.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
302000 - Sanitary Sewer Rehabilitation	$924,000	$3,537,000	$850,000	$1,100,000	$600,000	$1,250,000
303a11 - Sewer Plant Improvements	$550,000	$80,000	$80,000	$80,000	$230,000	$13,000
304000 - Lift Station Improvements	$2,864,000	$395,000			$876,000	
308a08 - New Trunk Line		$225,000				
315006 - New Sewer Mains	$622,000					
512093 - Underground Monterey Utilities	$8,000					
Totals	**$4,968,000**	**$4,237,000**	**$930,000**	**$1,180,000**	**$1,706,000**	**$1,263,000**

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$8,102,280	$10,275,533	$6,130,940	$2,467,516	$2,209,580	$1,802,988	$1,063,226
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS							
Revenues - Other	$3,522,157	$2,670,698	$2,424,509	$2,522,685	$2,623,898	$2,817,918	$2,817,918
Expenditures - CIP Projects	$690,734	$4,968,000	$4,237,000	$930,000	$1,180,000	$1,706,000	$1,263,000
Expenditures - Other	$658,169	$1,847,291	$1,850,933	$1,850,621	$1,850,490	$1,851,680	$1,907,230
Ending Fund Balance	**$10,275,534**	**$6,130,940**	**$2,467,516**	**$2,209,580**	**$1,802,988**	**$1,063,226**	**$710,914**

651 - Water Impact

Fund Description
The Impact Fund receives revenues from developer charges to cover the costs to construct water improvements required as a result of the new development. Expenditures may only be made for the construction of the required improvements or to reimburse the City for funds advanced to construct such improvements. Fund is subject to the restrictions of AB1600.

How this Fund Generates Money for Capital Investment
New development creates the need for City to expand its inventory of public facilities and build new- or add on to current- infrastructure to handle the demands of new services. The City imposes public facilities fees under authority granted by the Mitigation Fee Act, contained in California Government Code Sections 66000. A City Council-adopted "Impact Fee Report" provides the necessary findings required for adoption of the fees.

Limitations and Other Important Factors
All development impact fee-funded capital projects are programmed through the City's 6-Year CIP, to build out new public facilities/infrastructure projects to accommodate future growth. By programming fee revenues to specific capital projects, the City ensures a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act.

Goals for Capital Investment
The goals for this fund during this period consist of funding for new water wells, reservoirs, and water mains to service future growth. Expenditures-Other includes a portion of the debt service payments for 2014 Water Revenue Bonds.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
601000 - New Well Property/Construction	$1,963,000			$1,140,000		$90,000
602000 - New Water Reservoirs	$680,000					
603000 - New Water Mains	$884,000		$200,000	$200,000	$200,000	$200,000
607000 - Booster Pump Rehabilitation	$240,000					
623014 - Water Supply Planning	$100,000	$100,000	$100,000	$50,000	$50,000	$50,000
Totals	**$3,867,000**	**$100,000**	**$300,000**	**$1,390,000**	**$250,000**	**$340,000**

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$4,981,630	$4,630,581	$1,398,599	$1,823,394	$1,814,966	$657,642	$799,849
Revenues - Impact Fees (AB1600)	$1,473,251	$1,301,089	$1,196,984	$960,360	$906,000	$906,000	$906,000
Revenues - Non-AB1600 RDCS							
Revenues - Other	$24,643	$8,340	$1,944	$4,641	$1,000	$1,000	$1,000
Expenditures - CIP Projects	$1,182,439	$3,867,000	$100,000	$300,000	$1,390,000	$250,000	$340,000
Expenditures - Other	$666,504	$674,410	$674,134	$673,429	$674,324	$514,793	$530,237
Ending Fund Balance	**$4,630,581**	**$1,398,600**	**$1,823,393**	**$1,814,966**	**$657,642**	**$799,849**	**$836,612**

653 - Water Capital Project

Fund Description
This fund was renamed and combined with the Water Capital Projects Fund. This fund was established to avoid fluctuations in sewer rates by providing reserve funding for future system replacements. The initial contribution to this fund was $2,550,000 from the Water Operations Fund. Future contributions will come from transfers from the Operations Fund when available.

How this Fund Generates Money for Capital Investment
Funding comes from transfers from the Water Operations Fund when available. In May 2014, the City received $13 million of new financing from water revenue bond to be used to fund new projects. This fund pays 70% of debt service payment for the water revenue bond, and 30% is paid out of the Water Impact Fund.

Limitations and Other Important Factors
The projects paid for through this fund are projects for the purpose of rehabilitation and replacement work for the City's existing water system.

Goals for Capital Investment
The goals for this fund during this period consist of improvements to enhance system reliability and to take care of existing system deficiencies by replacing deteriorated water main. Revenues-Other includes transfers from the Sewer Operations Fund (650) for debt service payments. Expenditures-Other includes a portion of the debt service payments for the 2014 Water Revenue Bonds.

Project List Summary

Projects	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
512093 - Underground Monterey Utilities	$7,000					
602000 - New Water Reservoirs	$2,040,000				$370,000	
603000 - New Water Mains	$441,000					
607000 - Booster Pump Rehabilitation	$73,000					$1,100,000
608000 - Rehabilitate Water Wells	$580,000			$630,000		
610000 - Water Main Replacement			$735,000	$735,000	$430,000	$1,100,000
620007 - Recoat Water Reservoir/Tank						$200,000
623014 - Water Supply Planning			$200,000	$200,000	$200,000	
625016 - Well Demolition and Abandonment		$400,000				
Totals	**$3,141,000**	**$400,000**	**$935,000**	**$1,565,000**	**$1,000,000**	**$2,400,000**

Six-Year Pro Forma

	2015-16 YE Projected	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	$5,947,645	$3,170,467	$32,167	$33,943	$22,724	$17,147	$1,377,466
Revenues - Impact Fees (AB1600)							
Revenues - Non-AB1600 RDCS							
Revenues - Other	$1,093,638	$953,461	$1,351,992	$1,872,797	$2,509,538	$3,080,670	$3,080,670
Expenditures - CIP Projects	$2,926,284	$3,141,000	$400,000	$935,000	$1,565,000	$1,000,000	$2,400,000
Expenditures - Other	$944,532	$950,761	$950,215	$949,017	$950,115	$720,351	$741,961
Ending Fund Balance	**$3,170,467**	**$32,167**	**$33,944**	**$22,723**	**$17,147**	**$1,377,466**	**$1,316,175**

NEEDED-BUT-NOT-FUNDED PROJECTS

Needed-but-not-funded CIP projects are those for which no funding sources are currently available, yet which are described as needed within the General Plan, within the Master Plans (for Storm Drainage, Sewer, and Water), and within other planning documents. The projects are listed so that they can be tracked in the event that funding does become available. This listing also keeps these projects visible as other alternative funding options and other competing projects are being considered. Note: List is not in priority order.

Item #	Project Category	Project Description	Estimated Amount	
Parks & Recreation				
1	Parks Facilities	Butterfield Blvd Linear Park, Phase IV	$1,250,000	
2	Parks Facilities	Community Garden Relocation	$250,000	
3	Parks Facilities	Ball Field Development	$17,500,000	
4	Parks Facilities	Outdoor Sports Center Turf Replacement	$1,000,000	
5	Parks Facilities	Unfunded Park Replacement	$590,000	Annually
6	Parks Facilities	Future Trail Planning	TBD*	
7	Parks Facilities	Future Park Acquisition	TBD*	
		* Upon completion of Master Plan Update Total	$20,590,000	
Public Facilities				
8	Public Facilities	Morgan Hill Library Expansion, Phase III	$1,600,000	
9	Public Facilities	Corp Yard Improvements	$1,020,000	
10	Public Facilities	Unfunded Building Replacement	$510,000	Annually
		Total	$3,130,000	
Storm Drainage				
11	Storm Drain	Llagas Rd. between Castle Ridge Dr. & Glen Ayre Dr.	$300,000	
12	Storm Drain	Mission View Dr. & Half Rd.	$500,000	
13	Storm Drain	Spring St. & Bisceglia Ave.	$150,000	
		Total	$950,000	
Streets & Roads				
14	Streets & Roads	Pavement Rehabilitation Program	$4,500,000	Annually
15	Streets & Roads	Hale Avenue Extension	$9,450,000	70% of Total
16	Streets & Roads	Butterfield Blvd. North Extension	$1,200,000	
		Total	$15,150,000	
Water				
17	Water	Hill Booster: E. Dunne Dr.	$1,422,000	
18	Water	Woodland: 2nd Tank	$593,000	
19	Water	Barrett: Between Condit and Murphy	$551,000	
20	Water	W. Main P/M Booster to DeWitt	$125,000	
21	Water	Dewitt: Between Main & Spring	$1,025,000	
22	Water	Encinos Booster: Remove From System	$89,000	
23	Water	Copper Hill: Butterfly & Holiday	$829,000	
24	Water	Recoat: Jackson Oaks, El Toro, Encino	$1,096,000	
25	Water	Solar: San Pedro Well	$400,000	
		Total	$6,130,000	
Total			**$45,950,000**	

PUBLIC INFRASTRUCTURE FINANCING REPORT

City of Morgan Hill

APRIL 2015

Purpose of Report

In Morgan Hill, consistent with other California cities, there is a need for additional public investment in streets, parks and landscape, and public building infrastructure. The City recognizes that ongoing revenues are insufficient to fund these vital community assets. The condition of the publicly owned infrastructure (especially streets) is deteriorating and the deferred maintenance backlog is increasing. Thus, the expense to repair these assets grows as each year passes without a sustainable solution.

In an effort to address this reality, the City Council has initiated the process of reviewing the feasibility of a *Municipal Finance Measure* for the November 2016 ballot to provide locally-approved and controlled funding for capital projects within Morgan Hill. The purpose of this report is to provide the City Council with a recommended process to implement that will ensure that the City is strategic in its effort, the Morgan Hill community is educated on the condition of its public infrastructure, community engagement is a priority, and various new revenue funding strategies will be tested.

Background

In support of the City Council's Annual Priority of Advocating for Infrastructure Improvement Funding, at its November 5, 2014 meeting, City Council accepted the *Infrastructure Funding Update Report* (attached) and began discussion on infrastructure funding gaps by category and prioritization of needs. In addition, staff posed four recommended next steps for Council consideration and direction. Those steps were:

- Discuss infrastructure funding gaps by category and prioritize the needs
- Discuss the policy questions posed in this report as well as others relevant to the issue
- Identify and discuss funding alternatives for the City to fund infrastructure maintenance
- Actively participate in state and regional infrastructure funding advocacy and planning.

Current Needs
$5.8m annually

- **Street Maintenance**
- **Park Maintenance**
- **Landscape Assessment District**
- **Public Building infrastructure**

Through the development of the *Infrastructure Funding Update Report*, it was determined that the City has an annual funding gap of approximately $5.8 million for infrastructure maintenance to ensure sustainability for the aforementioned capital assets.

Furthermore, the City Council adopted the following strategy during its Annual Goal Setting Workshop held the last weekend of January 2015:

> *By April 2015, the City Council will receive a comprehensive infrastructure action plan detailing the steps necessary for a potential 2016 ballot measure.*

Getting Started

There are many factors that influence whether Morgan Hill will ultimately be successful in securing additional funding through a *Municipal Finance Measure*, including how our measure is crafted and the type of funding mechanism elected; the community benefits of the measure; whether our public is engaged in the process; the extent of media, opinion leader, and stakeholder support; whether our measure has opposition; the degree of our City's overall planning and financial investment during the early stages of preparation, and finally, the viability of the community campaign. Of vital importance is the public receiving assurance that any funds generated will be spent as promised on community priorities Even though it would be inadvisable to select a financing strategy at this stage of the process, it is important to begin the conversation on the various options. These include, but are not limited to:

- *General Purpose Sales Tax*: Tax proceeds go into the City's general fund and are available for general government purposes (50% +1 approval required).

- *Special Purpose Sales Tax*: Tax is levied to fund a specific governmental project or program, or any tax in which the proceeds are not placed in the general fund and are not made available for general government purposes (2/3 voter approval).

- *Ad Valorem Tax*: The City could proceed with an ad valorem tax, and then issue general obligation bonds to fund the capital improvements. Each property owner would pay additional property tax variable based on assessed valuations (2/3 voter approval).

- *Parcel Tax*: The City could obtain voter approval for a parcel tax, and each property owner would pay the same amount. Bonds would be issued to fund the capital improvements (2/3 voter approval).

- *Special Districts: Community Facilities District*, *Benefit Assessment Districts*, *and other Proposition 218 Districts*

In any event, the specifics of a potential revenue measure could be determined through a comprehensive community process led by staff and a specialized consultant team.

Building Our Team

Preparing for, and passing a successful *Municipal Finance Measure* is a specialized craft that often requires the assistance of outside experts. One of the first steps in pursuing such a measure is to engage an experienced consulting firm to assist the City in outreach, conducting an independent community survey, and performing feasibility analysis. A successful measure generally requires sufficient timing for polling and community engagement, to ensure that any measure proposed reflects community input, priorities and interest. These outreach steps will help maintain the City's transparency in the process by actively involving residents, businesses, the Chamber of Commerce, Downtown Association, and other constituents.

It is anticipated that the City would need to hire the following consultants to assist the City in meeting its funding goal:

- Communications/Feasibility Strategist
    - Direct and project-manage all strategies focused towards a successful City sponsored Finance Measure feasibility effort from start to finish.
    - Develop and update the City's project timeline and benchmark dates.
    - Support, influence and over-see the development of our baseline survey and tracking poll.
    - Develop, refine, and target key messages and themes for our Finance Measure to the appropriate audiences.
    - Conceive and implement community outreach and education activities prior to our City Council's placement of the Measure on the ballot.
    - Recommend how to structure our Finance Measure include the funding mechanism, general or special purpose designation, and election timing as a result of public opinion polling.

- Public Opinion Research Firm
    - Conduct the City's baseline survey and tracking polls to assess the public's support of our Finance Measure.
    - Design our City's research instrument, specify the sampling of respondents, manage the interview process, and analyze the data, including identifying the demographics and attitudes of respondents towards a potential measure.
    - Assessment of the overall direction and quality of life in the City.
    - Identify what the voters see as the major problems facing City residents.
    - Determine the extent of awareness of the City's financial situation for funding the public's infrastructure.
    - Ascertain the degree to which voters see a need for more funding to maintain and enhance services.
    - Rank community priorities to be addressed by a measure.
    - Evaluate support and/or opposition to a ballot measure.
    - Identify the funding mechanism most favorable to voters, and at what tax amount.
    - Assess the optimal election timing and the effect of other measures on our measure.

- Financial Advisor or Bond Underwriter (if applicable due to selected financing model)
    - Assess the financial, facilities and construction scheduling needs.
    - Determines all revenue sources available to support the City's needs.
    - Analyzes our funding plan.
    - Develops cash flows for capital projects,
    - Creates a multi-year financing plan.
    - Manages the sale and closing of the financing package.
    - Recommends time/sequencing of bond issuances.

Timing

A resolution placing such a measure on the ballot would be due to Santa Clara County on or about August 12, 2016, which is 88 days prior to the November 8, 2016 election. In order to meet this August 12 deadline, the item must go to Council and be approved no later than August 5, 2016. As previously discussed, there are multiple steps involved in a *Municipal Finance Measure*. The following list delineates the appropriate steps in the process which should be considered when planning our finance measure:

1. Initiate Planning Efforts
    - Identify all potential projects, costs and needs
    - Identify unique recent, local problems and opportunities
    - Identify factors that make our needs urgent for the community
    - Build consensus among stakeholders within the City
    - Allocate City funding to plan our Finance Measure
    - Retain appropriate expertise/advisors

2. Conduct Public Opinion Research to determine:
    - Level of tax threshold the public is willing to support
    - Type of funding mechanism our community is willing to support
    - Optimal election timing
    - Most effective balloting method
    - Project(s) that are community priorities or problematic
    - Effective themes/messages
    - Areas where the community needs more education and information

3. Assess Initial Baseline Feasibility
4. Implement Nonpartisan Outreach Program
5. Re-Assess Community Support
6. Public Assessment and Education

Prior to approving a specific action plan, staff highly recommends that a Communications/Feasibility Strategist as previously described is hired to assist the City in the appropriate course of action. As an example, the following table provides the Council a possible schedule for a 2016 *Municipal Finance Measure*:

	April – June 2015	July – Sept 2015	Oct – Dec 2015	Jan – Mar 2016	April – June 2016	July – Sept 2016	Oct – Dec 2016
Council Meeting: Present Public Infrastructure Financing Report	✓	✓					
Collect needs assessments identifying projects	✓						
Determine revenue vehicles to be considered and identify necessary thresholds for voter approval	✓						
Engage opinion research firm and begin discussing initial poll to inform decision making process	✓						
Pollster to develop draft survey		✓					
City signs-off on telephone survey and optional online survey and survey fields		✓					
Survey results tabulated and reporting developed		✓					
Meeting with City team and consultants to review survey and determine path		✓					
Presentation of survey results to City Council		✓					
Revenue vehicle(s) selected			✓				
Outreach targets defined, including community groups, leaders, home owners associations, large land owners, elected officials, etc.	✓						
Message points developed based on research		✓					
Outreach content developed such as unique internet contents, social media		✓	✓	✓	✓	✓	✓
Initial meetings with key influentials set			✓				
Demonstrating the need through all methods of communication	✓	✓	✓	✓	✓	✓	✓
Ballot language developed by City Attorney					✓		
City Council approves ballot measure					✓		
Ballot label developed by City Attorney and submitted to County					✓		
Ballot arguments developed						✓	
Tracking poll						✓	
Outreach meetings and presentations					✓	✓	
Educational outreach tools developed		✓	✓	✓	✓	✓	✓
Post election activities							✓

Fiscal and Resource Impact

The approximate cost for the consultant team and ballot measure expense is estimated to be $250,000. The FY 2014-15 operating budget includes $35,000 for a community survey, so the approximate net new General Fund cost that would be necessary in the FY 2015-16 budget is $215,000.

In addition, it is estimated that hundreds of hours of Administrative Services, City Manager, City Attorney, Public Works, and Community Services staff time would be required. Because of this, a potential ballot measure would need to be an organizational priority.

Recommendation

Staff recommends that the City Council accepts the *Public Infrastructure Financing Report* and directs staff to initiate the process of reviewing the feasibility of attempting a *Municipal Finance Measure* for the November 2016 ballot to provide locally-approved and controlled funding for capital projects within Morgan Hill. As an initial step, staff would engage an experienced consulting firm to assist the City in outreach, conducting an independent community survey, and performing feasibility analysis. In addition, staff would continue to define and evaluate the legal framework for such a measure, the appropriate steps needed to execute such a measure, and the precise timing associated with each step in the process.

It is also recommended that the Council formally schedule June 17, 2015 as a *Public Infrastructure Financing* workshop from 5:30pm-7:00pm. As part of this, the Communications/Feasibility Strategist would be in attendance to guide the discussion.

INFRASTRUCTURE REPORT

CITY OF MORGAN HILL

NOVEMBER 2014

B1

Purpose of Report

The City of Morgan Hill's infrastructure is a very diverse system that supports a number of essential community needs and is utilized by both residents and visitor. Maintenance of this infrastructure is an expensive endeavor for the City, and one that is vital for public safety, economic development, and quality of life, all of which are critical elements for the City as it strives to ensure Morgan Hill remains a sustainable, vibrant, and quality community. This report is intended to provide a detailed look at the overall funding needs for each of the City's infrastructure categories and initiate the community discussion on the range of solutions available to address any gaps by identifying and quantifying the maintenance needs of the City's infrastructure.

Overview

The City of Morgan Hill has the responsibility of planning, constructing, and maintaining infrastructure to meet the needs of the community, which can be divided into two categories: 1) those needed to accommodate new growth; and 2) those needed to maintain the existing system. The City utilizes "development impact fees" charged to new development in order to mitigate the impacts of new growth on the existing community. This funding source can only be used to pay for projects to expand the City's infrastructure capacity and not for ongoing maintenance. To fund maintenance activities, the City primarily relies on General Fund taxes or customer charges. This report attempts to answer two foundational questions:

1. What are the City's existing infrastructure maintenance needs?
2. Are there existing funding gaps?

Existing Infrastructure Highlights

122 Miles of Streets

3,700 Street Lights

45 Traffic Signals

60 Acres of Maintained Parks

13 Public Facilities

18 Sports Fields

4 Swimming Pools

The City owns, operates and maintains a variety of infrastructure assets. These can be broken down into five categories:

- Streets
- Water and Sewer Systems*
- Parks and Trails
- Landscape Assessment District Facilities
- City Buildings and Facilities

** The City's water and sewer utilities are a vital element of the City's infrastructure, these utilities are not addressed in this report because they are paid for by customer charges and do not rely on the General Fund.*

Each of the categories also has two subcategories of maintenance. The first subcategory is baseline ongoing maintenance services (e.g., tree trimming, filling of potholes, janitorial, and grass mowing). The second is capital projects relating to the replacement or major repair of existing infrastructure resources (e.g., pavement rehabilitation, full replacement of a park playground, and replacement of a heating unit).

During the previous decade, the City made significant investments in infrastructure to meet the needs of a growing city. During that timeframe, the City utilized the Redevelopment

Agency to finance construction of new infrastructure and to maintain those assets. With the demise of redevelopment in 2011, the City lost a major funding source for the rehabilitation, renovation, reconstruction, and modernization of infrastructure.

Further impacting the City's ability to fund infrastructure maintenance in the last decade, has been the decline in the single largest funding source for street infrastructure maintenance, the "gas tax." Due to the growth in more fuel-efficient and alternative fuel vehicles, gas tax revenues have fallen in a relative sense and are projected to continue declining which has created a statewide problem. The recently released Local Streets and Roads Assessment for California (Appendix B) indicates that there is a backlog of $40 billion in deferred street maintenance and an annual funding shortfall of $7.8 billion state wide for street maintenance. The report identifies that 80% of the states roads belong to Cities and Counties, and that most are struggling to cope with increasing deferred maintenance backlogs and funding gaps. The following map provides an updated look at the condition of streets and roads across the county.

Funding

In 2013, the City Council established "Financing and Advocating for Infrastructure Improvements" as one of 2013 priorities. In May of that year, the Council received the results of the Safe and Sustainable Streets Infrastructure Study, which identified street

maintenance funding as inadequate for future years. In 2014, the Council again prioritized infrastructure and requested that City staff develop this comprehensive report that identifies, quantifies, and prioritizes the needs to maintain the City's entire existing infrastructure.

Currently, the City's General Fund is relied upon to supplement other dedicated funds in supporting infrastructure maintenance. The Fiscal Year 14/15 General Fund expenses were $32.6 million, of which $21.5 million were discretionary. The following diagram illustrates how the City utilizes its discretionary General Fund expenses.

Recent Infrastructure Investments

LED retrofit of street lights

Increased funding for sidewalk replacement

Reinstated grid pruning on 4 year cycle

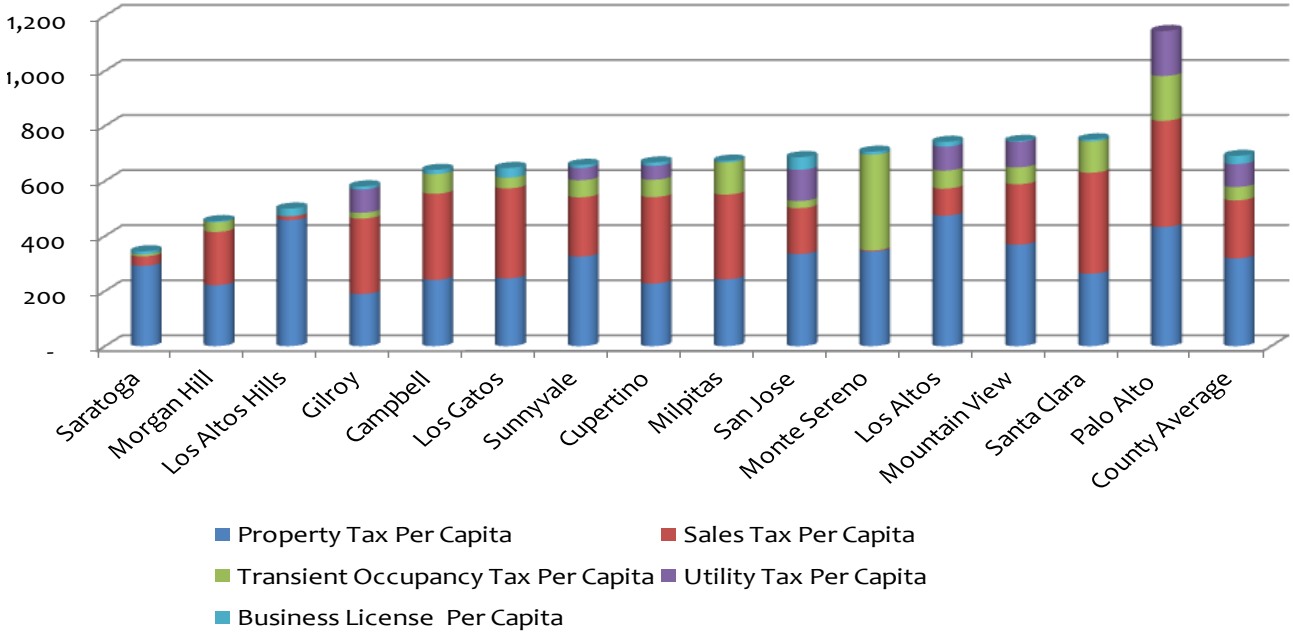
Solar installations at 3 city facilities

Replacement of street name signs

Replacement of turf with low water irrigation or other surfaces

Funded annual City parking lot maintenance on 8 year cycle

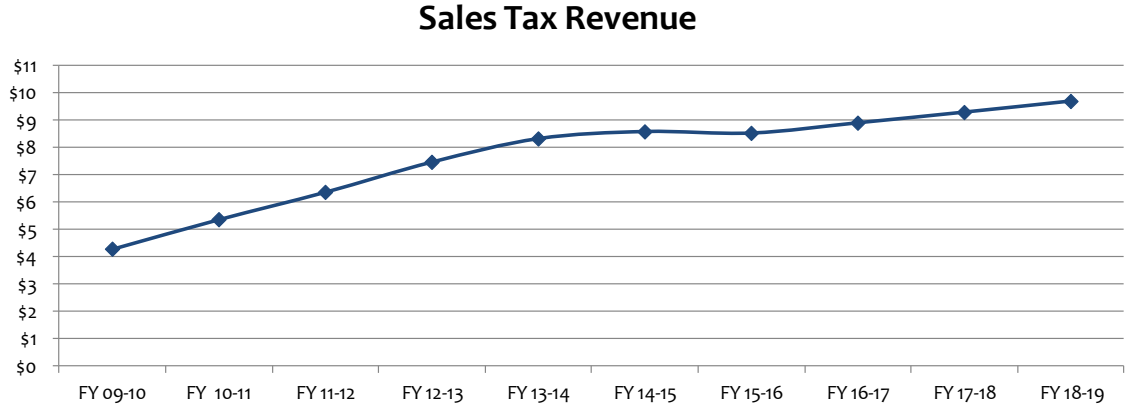
As indicated, the City currently spends 4.1 percent of discretionary General Fund dollars on maintenance of its streets through pavement rehabilitation, capital improvements and ongoing base level street maintenance services. It is important to understand: 1) the City's discretionary General Fund revenue is primarily obtained through taxes (Property Tax, Sales Tax and Transient Occupancy Tax) and is much more limited than that of many other communities as Morgan Hill's per capita tax revenue ranks among the lowest in the County, 2) facility maintenance of recreation centers is primarily paid for by user charges, this amount of discretionary dollars is required, and 3) the City's parks rely on voluntary developer payments to pay for the majority maintenance activities.

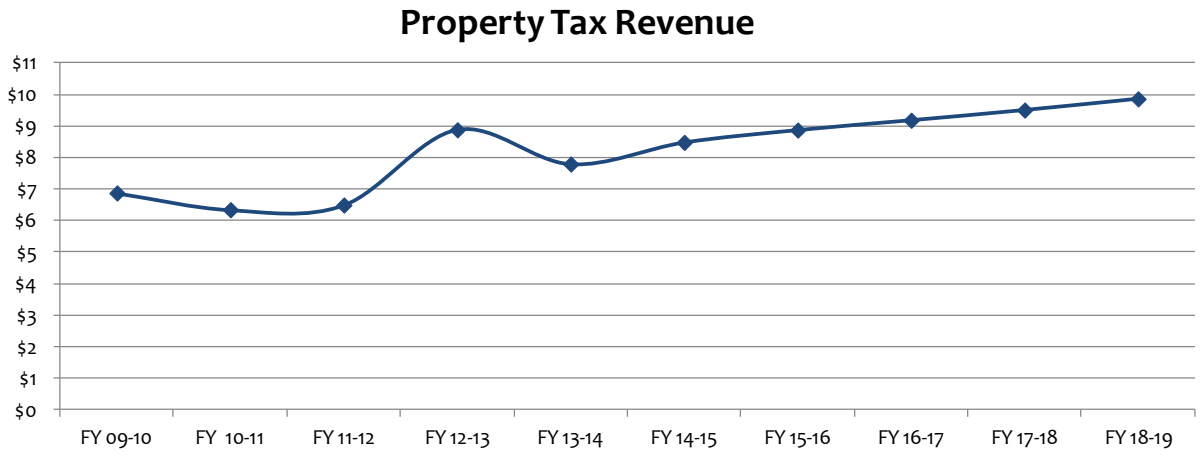


Ongoing maintenance of these assets is performed using a variety of means funded through a variety of sources. The matrix in Table 1 outlines the primary funding for each of the subcategories:

Table 1. Category of Maintenance	Primary Funding Sources
Street Maintenance Capital Repair and Replacement	Gas Tax Measure B – Vehicle Registration Fees General Fund Discretionary Revenue Grant Funds – Includes On Bay Area Grant
Street Maintenance Base Services	Gas Tax General Fund Discretionary Revenue Sewer Fund – Customer Charges Water Fund – Customer Charges
Park Maintenance Capital Repair and Replacement	Park Maintenance Fund – Developer Voluntary Contributions General Fund Discretionary Revenue Grant Funds
Park Maintenance Base Services	Park Maintenance Fund – Developer Voluntary Contributions General Fund Discretionary Revenue
Landscape Assessment District Capital Repair and Replacement	Property Tax Assessments for those within District
Landscape Assessment District Capital Repair and Replacement	Property Tax Assessments for those within District
Building Maintenance Capital Repair and Replacement	General Fund Non-discretionary Revenue (Recreation Charges) General Fund Discretionary Revenue Other funds based on percentage use of facilities
Building Maintenance Base Services	General Fund Non-discretionary Revenue (Recreation Charges) General Fund Discretionary Revenue Other funds based on percentage use of facilities

As is indicated in the chart, with the exception of the Landscape Assessment District, all of the other infrastructure areas outlined are supported by General Fund Discretionary Revenue. The next two graphs provide a history and forecast of the two largest tax revenue sources for General Fund Discretionary Revenue, sales tax and property tax:





Both sources of taxes show modest increases in revenue over future years, but these increases in revenue will be necessary to account for inflationary operating costs for the City. However, as was previously mentioned, the Gas Tax revenue will not be able to keep up with inflationary costs and is forecasted to remain flat for the next five years.

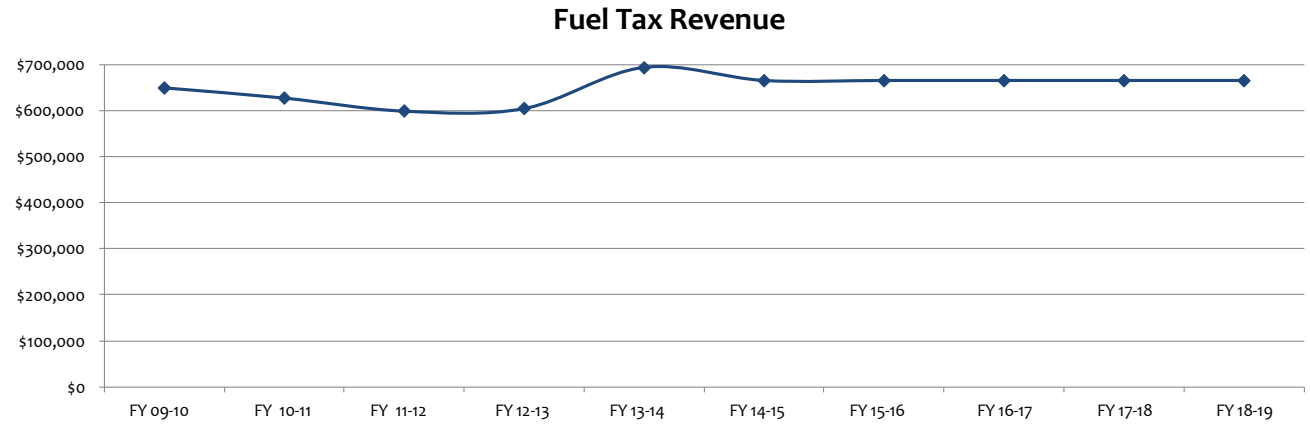


Table 2 shows the background documents that are now available to guide The City's infrastructure planning.

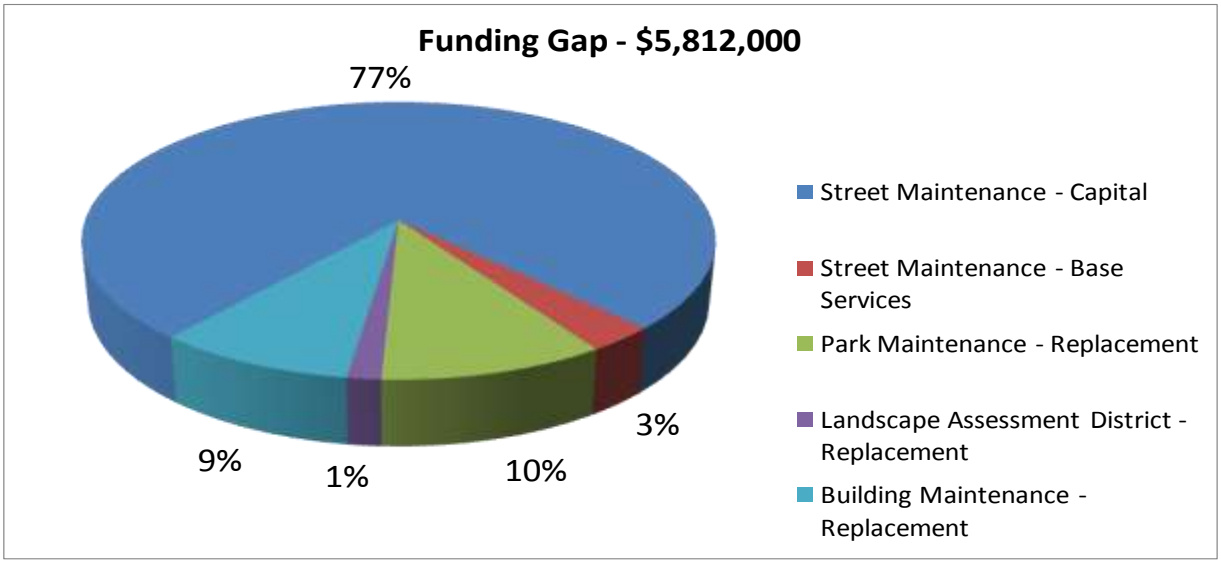
Table 2. Infrastructure Funding Planning Documents
Sustainable Streets Study – May 2013
Biennial Pavement Condition Report – Mar 2014
Biennial Pavement Management Report – April 2014
Park Asset Replacement Inventory - October 2014
Annual Engineers Report for LAD – June 2014
Building Future Replacement Plan - October 2014

In the recent past, the funding shortfall for maintenance of streets has been well documented. Our most recent Pavement Management Report shows a backlog of $20.5 million dollars in maintenance. Recent analysis of maintenance in the areas of City Buildings and Facilities, Parks and Trails, and Landscape Assessment District Facilities shows that funding shortfalls exist in these areas as well, though not at as significant a level as streets. Ongoing maintenance in these areas has limited the backlog of deferred maintenance and, in most cases, had a greater impact on service levels. In some of these areas, maintenance levels have been reduced and reserve

funding for future maintenance has not occurred or may not be adequate for future needs. Currently, it is estimated that there is a $5.8 million annual maintenance funding shortfall across all infrastructure categories. Table 3 provides a comparison of the City's existing funding levels and the amount required to be considered sustainable. For the purpose of this report, the term sustainable is defined as the following: "The level of annual funding required to ensure the City's infrastructure is adequately maintained for use in the present, avoids deferring maintenance costs to a later date, and funds accrues for future known replacement over the life period of each infrastructure asset."

Table 3. Category of Maintenance	Current Annual Funding Level	Sustainable Annual Funding Level	Annual Funding Shortfall
Street Maintenance Capital Repair and Replacement*	$ 753,000	$ 5,200,000	$ (4,447,000)
Street Maintenance Base Services	$ 1,888,000	$ 2,066,000	$ (178,000)
Park Maintenance Capital Repair and Replacement	$ -	$ 586,000	$ (586,000)
Park Maintenance Base Services	$ 1,027,000	$ 1,027,000	$ -
Landscape Assessment District Capital Repair and Replacement	$ -	$ 88,000	$ (88,000)
Landscape Assessment District Base Services	$ 180,000	$ 180,000	$ -
Building Maintenance Capital Repair and Replacement	$ 389,000	$ 903,000	$ (514,000)
Building Maintenance Base Services	$ 2,654,000	$ 2,654,000	$ -
TOTAL	**$ 6,891,000**	**$ 12,703,000**	**$ (5,812,000)**

** 2014/15 includes additional one-time funding for street maintenance of $1,544,000 above the $753,000.*

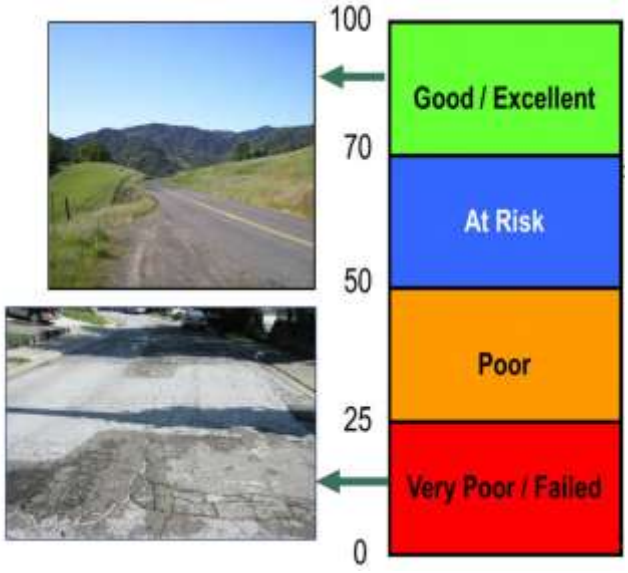


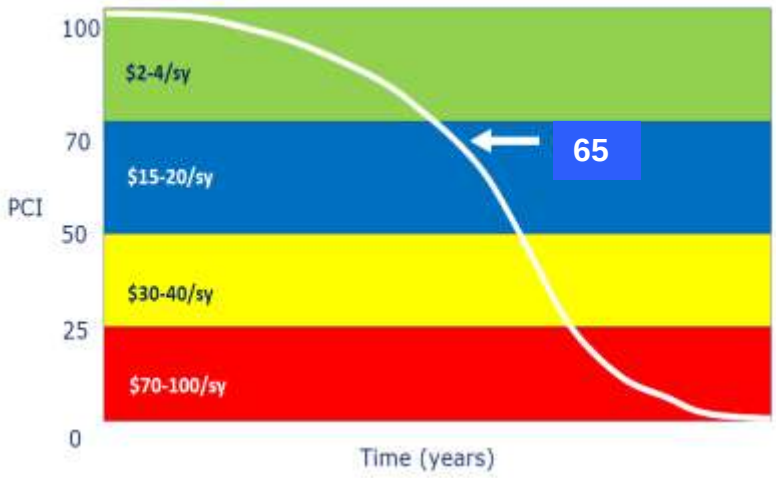
Street Maintenance remains, by far, the largest area of need in terms of funding for infrastructure at 80%, while replacement of existing Park Assets is the second largest need making up 9% of the unfunded need. Some degree of future replacement savings has been made in the Landscape Assessment District and Building Maintenance areas. The amount of funding set aside varies by facility and by assessment district subarea. The funding details, challenges, and policy questions for each of these areas are outlined in the following sections of the report.

Street Maintenance

The City Council identified the "Streets Infrastructure" as a vital community element and one that needs a great deal of attention. The City has approximately 122 miles of local streets with a variety of attached ancillary elements including: street trees, traffic signals, signs, curb & gutter, streetlights, storm drains, bridges, medians and planters, furnishings, guard rails, parking lots, and sidewalks.

The greatest concern in the area of street maintenance has been the degradation of the streets themselves. Evaluating the condition of the City's Streets is accomplished using the Pavement Condition Index (PCI). In 2012, the City's Pavement Condition Report found the City's weighted average PCI for the entire City network of streets was 76. In May of 2013, the City's consultant, prepared the initial Safe and Sustainable Streets Infrastructure Study. This study looked at future funding needs for capital street maintenance and the ongoing base level street maintenance services.





In 2014, the weighted average PCI for the network had fallen to 70 and the Pavement Management Report identified a backlog of $20.5 million. At the current level of funding, the City's weighted PCI would fall to 65 by 2018. Since it costs less to maintain roads in good condition than bad, investing early to keep the weighted PCI higher is critical. As demonstrated in the adjacent chart, the maintenance cost grows much faster as the PCI drops.

Funding

The City funds ongoing base service street maintenance activities through the General Fund and Gas Tax Revenue, while the capital pavement rehabilitation program is funded primarily through the streets fund which receives revenues from gas taxes (via VTA), vehicle registration fees and the One Bay Area Grant. Over the last two years, the City has supplemented capital funds with dollars from the General Fund, but this is not projected going forward and not included in the existing General Fund five year forecast.

Base Service Level Funding

The Community Services Maintenance Team is responsible for the day-to-day maintenance of streets for the City. A combination of City employees and contract services are used to perform regular street maintenance. The 2013 Sustainable Streets Study identified that additional funding was needed for base street maintenance services, including ongoing funding of $368,000 annually and one-time funding of $107,000. Over the last one and a half years, the City Council has increased investment so that many of the unfunded maintenance needs have or will be met through General Fund investment or investment from other funds in specific project areas. The current additional funding need has been reduced to $155,000 annually and $43,000 in one-time funding. An outline of the current needs is available in Table 4.

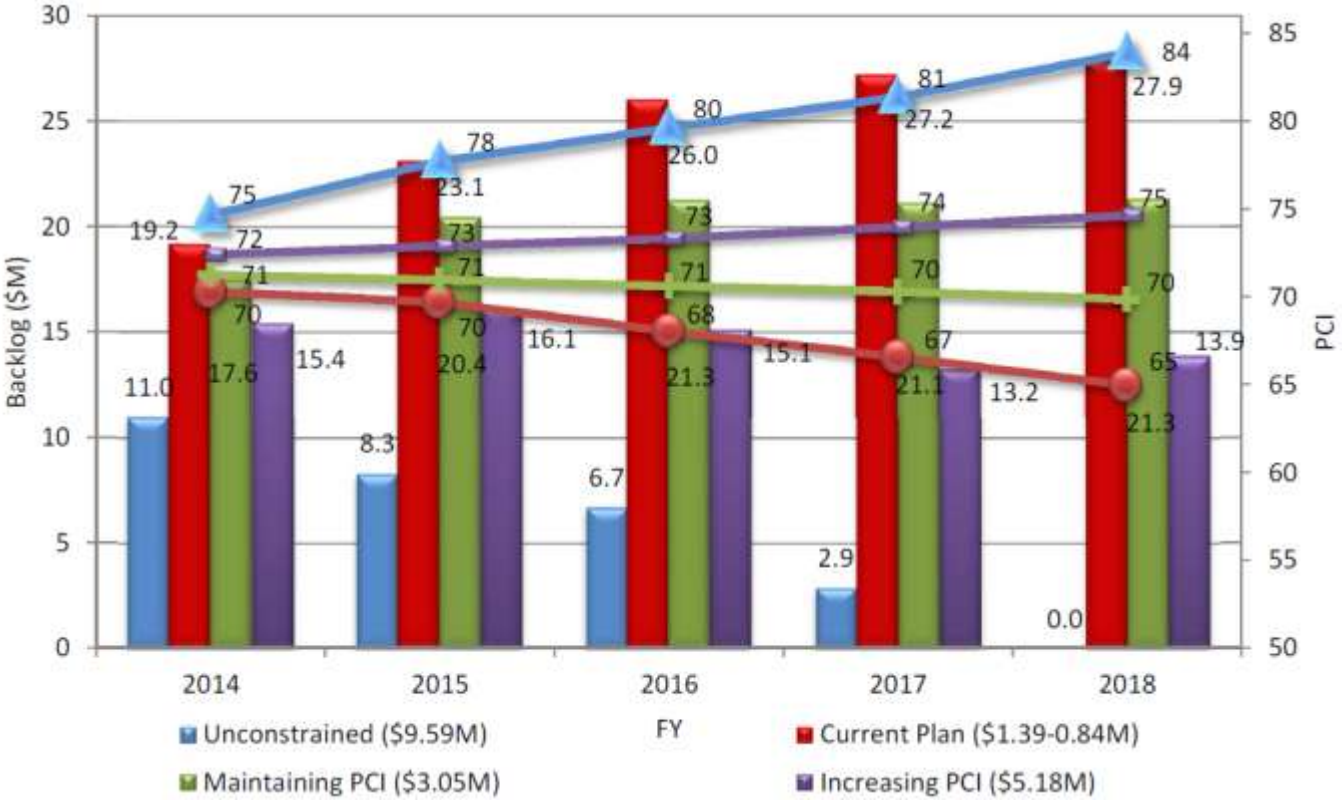
TABLE 4. CURRENT VERSUS SUSTAINABLE STREETS - OCTOBER 2014 (1,000s)

BUDGET ALLOCATION SCENARIO 3	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	TOTAL
Pavement Mgmt Program (PMP)						
Current PMP CIP Budget Allocation	2,297	753	753	753	753	5,309
Sustainable Funding	5,200	5,200	5,200	5,200	5,200	26,000
Funding Gap	**2,903**	**4,447**	**4,447**	**4,447**	**4,447**	**20,691**
Base Maintenance Services Division						
Current Budget Allocation	1,888	1,954	2,024	2,097	2,097	10,060
Unfunded Base Maintenance Services						
Downtown Park Lot Slurry & striping	*Now funded through CIP for Parking Lots.*					*0*
Concrete/brick Paver Repairs	*12*					*12*
Sidewalk Repairs	*Now funded through CIP - Safe Routes plus 1 time General Fund Infusion. Annual Maintenance Budget increased to $50,000 annually.*					*0*
Curb & Gutter Repairs						*0*
Repaint Colored Curbs	*32*	*32*	*32*	*32*	*32*	*160*
Replace Aging Wood Streetlight Poles	*5*	*5*	*5*	*5*	*5*	*25*
Renovate Medians	*25*	*25*	*25*	*25*	*25*	*125*
Repair & Renovate Brick Planters	*Will be completed in downtown rennovations.*					*0*
Prepare & MaintainStreet tree Inventory	*10*	*2*	*2*	*2*	*2*	*18*
Remove/Replace Street Trees	*38*	*38*	*38*	*38*	*38*	*190*
*Regular Street Tree Trimming **4** Year Cycle*	*Now funded in Annual Maintenance Budget.*					*0*
Storm Drain Pipe & Culvert Inspection & Repair	*5*	*25*	*5*	*5*	*5*	*45*
Storm Drain Pump Station Rehab Amortization	*50*	*50*	*50*	*50*	*50*	*250*
Sustainable Base Maintenance Services	2,065	2,131	2,181	2,254	2,254	10,885
Funding Gap for Base Maintenance Services	**177**	**177**	**157**	**157**	**157**	**825**
Total Funding Gap for Sustainable Streets	**3,080**	**4,624**	**4,604**	**4,604**	**4,604**	**21,516**

*Note: This PMP CIP Fund 308 Budget Scenario would yield an estimated **PCI of 75***

Capital Improvement Funding

Capital improvements for street maintenance are managed by the Engineering Division of the Public Works Department through the City's annual Capital Improvement Program. Over the last two years, the City has invested one-time grant dollars augmented by one time General Fund dollars to increase the amount of funds used on pavement rehab projects. With the current backlog of street maintenance ($20.5) million and the current PCI (70), the next chart provides information on how various levels of funding would impact the City's PCI rating and the maintenance backlog.



Investing at a level that increases PCI from its current condition is important, because investing enough to just maintain the current PCI will not reduce the backlog of maintenance and will end up costing the City more in the long run. By investing at a level that increases the PCI, the backlog of street maintenance will stabilize by 2018 and continue to gradually fall in the long term. Investing at a level that only maintains the current PCI will not reduce the backlog of maintenance and will cost the City more long term in both capital costs and ongoing base level maintenance costs.

Policy Discussion

To eliminate the backlog of street maintenance over the next five year period and increase the PCI to 84, an additional investment of $9.8 million annually would be needed. It is estimated that an additional $4.4 million would be needed annually to return the City's network of streets to an average weighted PCI of 75 and reduce the backlog to approximately $14 million. The third scenario would require an additional annual investment of $2.4 million annually and would result in a slight increase in the maintenance backlog.

At the current level of funding for street maintenance, the City will experience declines in the condition of the City's streets, which will in turn begin to impact and increase the level of base services and the deferred maintenance for streets will grow to a staggering $27.9 million by 2018 - which would represent a 50% increase over five years. At this rate, the City's streets infrastructure will be in jeopardy. This degradation and funding backlog will only continue to mount unless a new sustainable revenue source can be identified, current General Fund services are significantly reduced and funding is reallocated to streets, or new revenue can be generated through industrial and commercial development. To reduce services in other areas to fund the $4.4 million needed to maintain the City's streets sustainably, a 20% reduction in other vital services funded through General Fund discretionary revenue (Police, Fire, Parks, Admin Services, etc) would be required.

There are many questions that require discussion to address street maintenance funding. These include, but are not limited to:

1. Should General Fund discretionary revenues be prioritized to support street maintenance, which would require reduction in other services?
2. Should the City explore the development of a new tax revenue source?

Parks and Trails

The City of Morgan Hill has parks, trails and open space totaling over 300 acres of which 60 are maintained. Parks in Morgan Hill are funded in one of three ways, that include:

1. City Parks and Trails – Owned by the City and funded through the Park Maintenance Fund and General Fund.
2. Home Owners Association (HOA) Parks – Privately owned and funded by residents of the HOA.
3. Landscape Assessment District Parks – Owned by the City and funded by a limited number of residents within the assessment district for a specific park.

This section refers specifically to the maintenance of the first category, which includes parks, bicycle and walking trails, and the Civic Center outdoor spaces. These areas include a wide variety of amenities including: playgrounds, basketball courts, fields, tennis courts, picnic areas, lighting and many more. This strategy relies on growth to sustain the fund. Thus, as the City builds out, future funding could be an issue.

Revenue Support

Currently, base level park maintenance service is funded via the Park Maintenance Fund and supplemented by $200,000 annually from the General Fund. The Park Maintenance Fund is funded through voluntary contributions from developers in the City's Residential Growth Control System process.

Base Services

Park Maintenance activities are managed by the Community Services Maintenance Team. Maintenance functions are performed by both in-house staff and via contract. It is estimated that base level City park and trail maintenance services are funded at an adequate level to be safely used and to protect the City's assets in these areas. However, the level of service for

these areas is not “top notch” and City parks would be considered at a level 3 or “Adequate” when applying the City’s previously developed Park Maintenance Numeric Rating System. Increased funding of base level services could improve aesthetics and user experience, but would not considerably increase sustainability of park and trail infrastructure.

Capital Repair and Replacement Funding

Table 5.	
City Parks and Trails	**Annual Unfunded Replacement**
Community	224,557
Galvan	109,352
Paradise	38,106
Diana	31,052
Nordstrom	47,407
Jackson	17,201
Howard Weichert	7,235
Sanchez	3,188
Skate Park	23,219
Civic Center	47,026
Trails	37,429
Total	**585,771**

The recently developed Park Asset Replacement Plan identifies over $6 million in future replacement needs stretching over the next 50 years, with a total unfunded annual replacement cost of $586,000. No funds have been set aside for this replacement, although a past practice has been to use the Park Maintenance Fund for annually identified replacement projects. However, with the Park Maintenance Fund now funding the base level maintenance, drawing down the fund for capital replacement and repair projects would have an impact on sustainability of funding for base level operations.

Policy Discussion

When unfunded replacement needs to occur in parks, it is currently viewed on an annual project-specific basis and weighted against other projects of a citywide nature. In some cases, the life cycle of equipment is extended through repairing versus replacing equipment. In other cases, a choice may be to remove an asset. For example, turf could degrade to a point where it is in poor condition, but this would really only result in a decrease in user experience. Conversely, while a playground could degrade to a point where it must be removed for safety standards and, if not funded, would not be replaced. This funding shortfall for future replacement and repair of City Parks is a new discussion. Some policy questions that should be explored in this area include, but are not limited to:

1. Should a replacement/repair fund be established and funded for future park maintenance needs?
2. Should a new tax revenue source for parks be explored?
3. Should future park development be slowed until sustainable funding for existing parks can be established?

Landscape Assessment Districts

Revenue Support

Landscape Assessment District (LAD) funds are derived from special property assessments to support City maintenance services in park and landscape areas within residential developments that are located in the District boundaries. Proper maintenance of the properties benefits the owners. Assessment charges are collected by the County on property tax rolls and remitted to the City. There are currently 20 subareas in the LAD that include a total of 757

properties. Of these 20 subareas, 7 contain parks. Each lot within a specific subarea is assessed the same amount to obtain the level of service desired by the subarea residents.

Base Services

Base level maintenance services are provided based on the subarea's available funding. Many of these areas are funded and maintained well, while others are limited to weed abatement only.

Replacement Funding

To some extent, replacement funding for each subarea is addressed by creating a fund balance. Each subarea has an established fund balance reserve target based on the size, maintenance requirements, and amenities of the subarea. However, in the case of the LAD subareas which contain parks, the fund balances maintained would not be sufficient enough to replace or repair major park components. An outline of the LAD park subareas and their unfunded annual replacement can be viewed in Table 6.

Table 6.

LAD Subarea Parks	Annual Unfunded Replacement
Oak Creek	39,925
Hamilton Square	5,351
Mill Creek	4,675
Rose Haven	9,894
Stone Creek	9,385
Diana Estates	15,048
Belle Estates	3,848
Total	**88,126**

Policy Discussion

LAD subareas with parks provide a unique challenge. The parks are open and available to use for the entire community, but are paid for by a specific set of residents located in the LAD subarea. In essence, a small percent pay for amenities used by many. A park like Oak Creek Park, which is large, well used and has insufficient replacement dollars could run into a scenario where the park playground needs to replaced, but there are not available funds to do so. This scenario will eventually play out should policy and funding changes not be made. Most LAD subareas are at the max assessment cap, which means an increase for funding would need to be approved by voters in that subarea. In the past, LAD residents have shown reluctance to increase their own taxes for increased maintenance, resulting in some subareas receiving the bare minimum maintenance services. Policy questions for LAD Parks include:

1. Should assessment be raised in those subareas where capacity exists to plan for future replacement of park amenities?
2. Should a City-wide LAD or Community Facilities District for all City owned Parks be explored?
3. Should supplemental funding be used to ensure that LAD Park resources are maintained when assessment funds do not cover the cost of maintenance?

Building and Facility Maintenance

The City owns 12 facilities that are operated for a variety of public purposes including facilities operated and maintained by the City and others operated and maintained by partner organizations. These facilities include the two City Fire Stations, City Hall/Development Services Center, Council Chambers Building, Police Station, Corp Yard, Library, Aquatics

Center, Centennial Recreation Center, Community and Cultural Center, Friendly Inn Non-Profit Center, El Toro Youth Center, and Outdoor Sports Center.

Revenue Support

Maintenance of City facilities is funded via the fund that uses the facility. The City Recreation Centers, although part of the General Fund, recover costs through user fees for operations including facility maintenance. Other City facility maintenance funding is provided through the funds that fund the departments that use each of the facilities. For example, the maintenance of the Corporation Yard is funded through the Water Fund, Sewer Fund, Park Maintenance Fund and General Fund.

Base Services

Facility maintenance is managed by the Community Services Department and Community Development Department. In some cases, facilities are maintained through agreements with partner organizations (CALFIRE, County Library, and the Morgan Hill Youth Sports Alliance). It is believed that current base level maintenance services are fully funded and being provided at an adequate level throughout the City facilities.

Replacement Funding

In most cases, as each facility was constructed and opened for use, the City developed a replacement schedule that addressed the major components of each facility. This schedule has been funded by annual operating budget allocations. Replacement schedules were not developed for the Outdoor Sports Center and Friendly Inn while other replacement schedules for some City buildings were not comprehensive as others. Staff updated or created current schedules as a component of this report. Upon conclusion of this update, it is estimated that the facility replacement fund is underfunded by $514,000 annually. Table 7 outlines each facility, current replacement funding and recommended funding.

Table 7. Facility Replacement	Current Annual	Recommended Annual	Funding Gap
Aquatics Center	$ 55,441	$ 203,405	$ 147,964
Centennial Recreation Center	$ 90,499	$ 230,322	$ 139,823
Community and Cultural Center	$ 65,000	$ 72,279	$ 7,279
Council Chambers Building	$ 10,710	$ 37,022	$ 26,312
Corporation Yard	$ 5,290	$ 21,747	$ 16,457
Development Services Center	$ 27,677	$ 26,387	$ (1,290)
Friendly Inn	$ -	$ 12,517	$ 12,517
El Toro Youth Center	$ -	$ 6,620	$ 6,620
Police Department	$ 74,431	$ 94,731	$ 20,300
Outdoor Sports Center	$ -	$ 172,793	$ 172,793
Fire Stations	$ 60,000	$ 25,404	$ (34,596)
Library	$ -	$ -	
Total	**$ 389,048**	**$ 903,226**	**$ 514,178**

There were some key factors that created a significant change in the recommended annual funding of facility replacement for a few facilities. These factors are outlined below for the facilities that are impacted.

Aquatics Center (AC) – The AC was constructed by the Redevelopment Agency in 2004 and ownership was transferred to the City of Morgan Hill. The Community Services Department budget includes an annual contribution to the Building Replacement Fund for the annual depreciation of the major building and facility systems. This plan however is underfunded as the replacement schedule originally did not include some very significant pool related components. Two of the largest factors are replacement of the pool deck and pool heating components.

Centennial Recreation Center (CRC) – The CRC was constructed by the Redevelopment Agency and opened in the City's centennial year, 2006. Ownership was transferred to the City which, through the annual Community Services budget contributes to the Building Replacement Fund. The expansion of the CRC in 2010 was paid for by the RDA since the facility is located in the former Project Area and specifically included in the Redevelopment Plan. Similar to the Aquatics Center, after updating the replacement schedule it is believed the CRC's future replacement is underfunded. The largest factors in this area include adding the solar panels at the CRC to the future replacement funding.

Community and Cultural Center (CCC) – The CCC was constructed by the Redevelopment Agency in 2001 and ownership was transferred to the City of Morgan Hill. The Community Services Department budget includes an annual contribution to the Building Replacement Fund in an amount equivalent to the annual depreciation of the major building and facility systems. The funding is adequate as only a small adjustment would be needed.

El Toro Youth Center – The El Toro Youth Center is leased to the Boys and Girls Club of Silicon Valley. The City provides the Boys and Girls club with annual funding to subsidize operations and funds maintenance of the building through the General Fund. Currently, there is no contribution to the replacement fund for the facility. It is recommended that contributions begin to be made.

Friendly Inn – The Friendly Inn has served the community in a variety of roles for over half of a century. It was renovated by the Redevelopment Agency in 2010 as a non-profit center. It currently houses 11 non-profit organizations, which each make use payments equal to their share of the ongoing maintenance costs based on the amount of space leased. In turn, base level maintenance services are paid for by the tenants, but there is not contribution to the Replacement Fund from the facility.

Outdoor Sports Center (OSC) – The Redevelopment Agency purchased the land for the complex and initially leased it to the California Youth Soccer Association to operate as a regional tournament facility. In 2007 the RDA improved the area with artificial turf fields, parking, lighting, and restrooms. The RDA conveyed the property to the City which, in turn, has leased it to the Morgan Hill Youth Sports Alliance (MHYSA) for a community serving sports center as well as host for regional tournaments. MHYSA makes annual improvements to the facility as part of its operating budget. As previously noted, a replacement schedule and annual operating funding were not initiated when the OSC came online. At the time of opening, the fees for the facility were directly related to recovering costs for operations. Including replacement funding would have more than quadrupled the user fee for use of the facility. Shortly after the initial opening, the City entered into a concessionaire agreement to operate the OSC and it was envisioned that a capital fund would be created. This has yet to materialize and neither the City nor the operator has contributed to such a fund.

City Council Chamber Building – The Council Chamber Building recently went through a $2 million dollar renovation to become a state-of-the-art Chamber with new meeting room space, upgraded restrooms, and a new lobby area. It is utilized for City Council, commission, or other public meetings. The building has also recently begun housing a limited number of City staff that were no longer able to fit in the City Hall/Development Services Center Building. With the newly installed equipment, including state-of-the-art audio visual systems, funding the replacement of this equipment would be prudent.

City Hall/Development Services Center (CH/DSC) - The current CH/DSC is home to the City's Administrative Services Department, Community Development Department, Public Works Engineering Division, City Manager's Office, and City Attorney's Office. The building was remodeled in 2009 using the proceeds of a financing instrument called Certificates of Participation. The City agreed to make annual lease payments equivalent to debt service. The occupants of the building pay their proportionate share of the annual debt service. This type of financing is known as a "budgetary pledge" because no specific revenue source was dedicated to the debt service. The occupants also contribute annually to the Building Replacement Fund.

The Morgan Hill Library - The Library was constructed by the City of Morgan Hill and is leased to the County Library JPA for operations and maintenance. The capital costs were financed by a capital contribution by the RDA and a bond issue for a portion of the costs attributable to "new growth". The library was "sized" to accommodate the planned population of the City in 2020. The annual debt service is paid from available Development Impact fees and the General Fund. The City receives income from the library lease to the JPA which helps offset debt service.

Police Headquarters – In 2004, the City acquired an industrial building and upgraded the building to serve as an "essential public safety" building and Police headquarters. The costs were financed by issuing Certificates of Participation. Because the facility was sized to accommodate future growth, a portion of the annual debt service is paid by Development Impact fee revenue. The balance of debt service is paid as an annual operating cost of the Police Department and charged to the General Fund. The General Fund receives a small amount of revenue from a lease of current excess space to a private party. The annual budget also includes contributions to the Building Replacement Fund. The City's General Fund purchased an adjacent half acre of land for potential use as a storage yard for towed vehicles, or other future uses by the Police Department.

Corporation Yard – The city's field crews and equipment are housed at the "Corporation Yard" at Edes Court. The land including the adjacent Community Park was acquired by the City decades ago and initially developed as the city's first wastewater treatment facility. In the 1970's, the Corporation Yard was developed with the proceeds of bonds issued by a Joint Powers Agency which included improvements for the school "bus yard" north of Edes Court. The operating funds of the utilities (sewer and water) and the annual budgets of the streets and parks operations make annual contribution to the Building Replacement Fund.

Fire Stations – As part of the transition of CALFIRE in 2013, the City financed the purchase of its two fires stations. These loan payments are included in the Fire Deparment's annual operating budget and paid for by the General Fund. The base level maintenance of these fire stations is coordinated by CALFIRE as part of the agreement with the City and funded through the General Fund within the Fire Department's operating budget. The City established a

Building Maintenance Fund contribution of $60,000 annually for replacement of Building Components. After the recent inventories conducted by staff, it is believed that this replacement funding can be reduced to $25,000 annually.

Policy Discussion

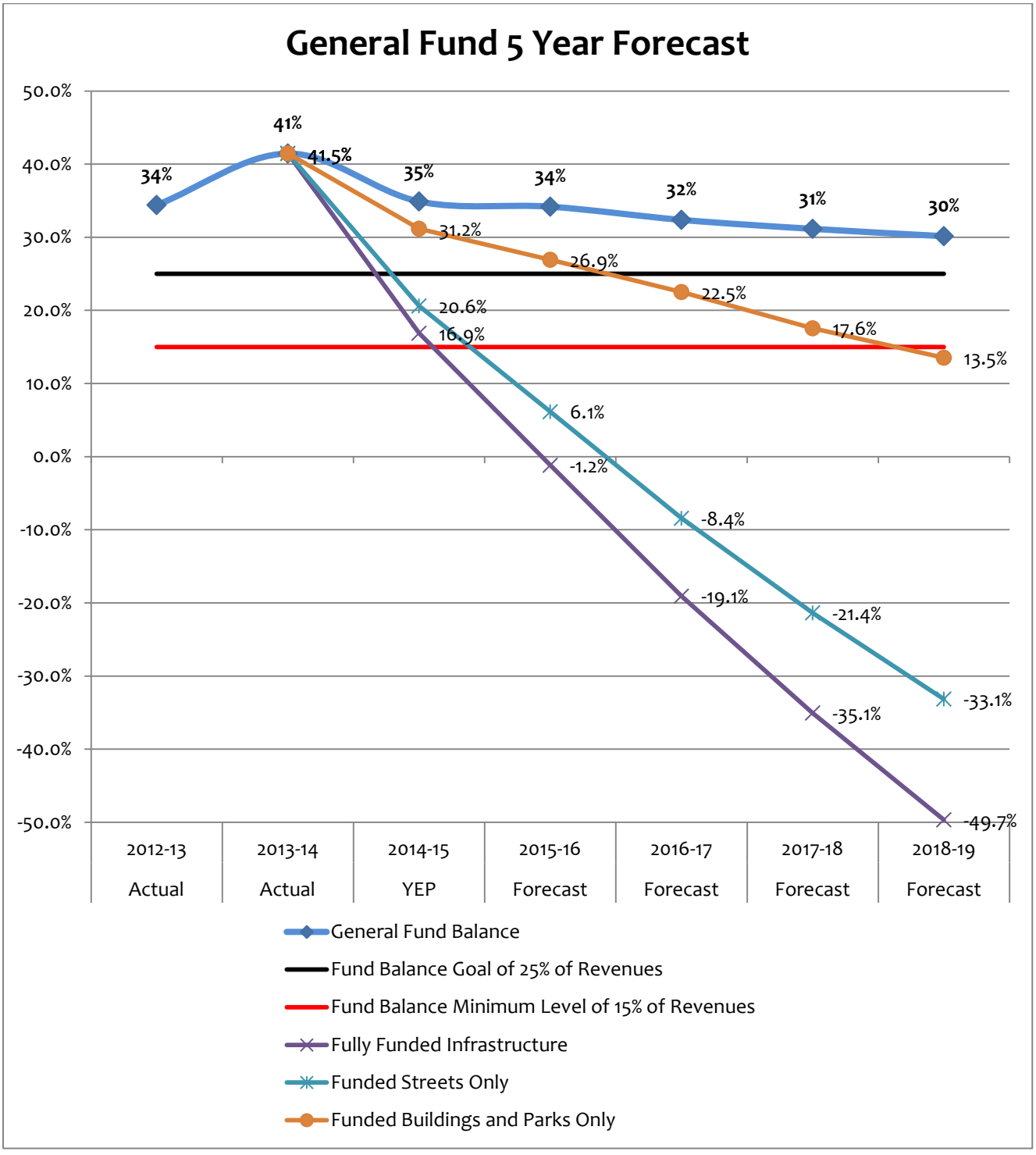
Three of the City's recreation center's make up the largest portion of the funding gap. The Aquatics Center and Centennial Recreation Center have continually improved their financial performance and replacement funding will be important to their continued success. Including the additional replacement fund costs in the annual operating budget for Recreation and Community Services would be consistent with the City's effort of "Balancing Cost Recovery and Community Access" at the City recreation facilities. The Outdoor Sports Center's concessionaire has provided the City with revenue each year. Additionally, the OSC has been a driver of economic development bringing hundreds of thousands of visitors to Morgan Hill annually. With the City reviewing the long term future of the OSC in the Spring of 2015, the need to plan for the future of the facility is critical. The synthetic turf fields at the OSC will be nearing the end of their expected life in the near future, and planning for their replacement is an important aspect of keeping the facility operating successfully. Overall policy questions for Building and Facility Maintenance include, but not limited to:

1. Should replacement funding at facilities be expanded to fully plan for all future capital replacement and repair costs?
2. Should fees be reviewed to assist in covering additional future replacement costs at our Recreation Facilities or should the General Fund invest more annually?
3. Who should be responsible for Outdoor Sports Center Future Replacement funding? The City? The operator? Both?

Possible Options for Infrastructure Maintenance Funding

The report clearly identifies that Street Maintenance has by far the largest need for additional infrastructure funding. However, the other infrastructure needs are also important and in some cases may create scenarios where multiple categories can be addressed simultaneously. Some possible options for addressing the City's funding gap include:

1. Dedication of General Fund Revenues - It is at the City Council's discretion to decide on utilization of any amount of General Fund dollars to support the maintenance of infrastructure. However, any use of General Fund resources would mean a reduction in service in another area and could have an adverse impact on the community. In alignment with the Council's Sustainable Budget Strategy, the current General Fund five year forecast provides for a General Fund reserve level of 30%. The graph below shows the impact on the General Fund forecast with various funding scenarios for infrastructure maintenance and no reduction to other service levels.



As the chart demonstrates, it is not possible to comprehensively address the funding gap and remain in compliance with the policy set in the Sustainable Budget Strategy. For all the scenarios outlined in the chart the downward trend demonstrates that other General Fund services would need to be reduced to fund infrastructure maintenance from the General Fund or new revenue sources would need to be realized.

2. New Tax Revenue Source – Some communities have successfully passed ballot measures to increase local taxes. This could be in the form of a bond issuance, sales tax increase, or a combination of the above. Pursuing a ballot measure is a complicated and expensive process that would require significant public discussion and involvement before moving forward.

3. New or Expanded Financing Districts - A financing district could be created which would be responsible for the care and maintenance of a portion of the City's Street Infrastructure or the City's Parks. Financing districts typically require approval (typically 2/3 majority) by the property owners within the district's boundaries. Revenues are generated from property owner approved assessments, property tax increments, or voluntary diversion of property tax revenues. It may be possible to expand the City's current LAD to be all encompassing of the City. There are a variety of opportunities for financing Districts in addition to the current LAD. The processes for creation of these districts is complicated and detailed review would be needed to determine the most appropriate for the City's needs.

4. Attempt to Increase LAD Assessments – This would be a small step towards only dealing with the unfunded maintenance in the LAD. Even if successful, this will not have a significant impact on the overall infrastructure maintenance funding need. Staff will be able to review this as part of the annual LAD assessment process.

5. Increase User Fees – This option would only be available for the Recreation facilities that charge a fee for service. This does fit in the current Recreation and Community Services model and would require raising rates for users to ensure cost-recovery included fully funding future replacement. The soon to be started Community Development fee study, will also need to include all costs.

6. Increase General Fund Revenues through Economic Development – Morgan Hill continues to thrive in attracting businesses and the improvements to the downtown will support this going forward. However, the infrastructure funding gap may be too large for this to be successful in the near term. For example, if City were hoping to offset the infrastructure funding gap through increased sales tax revenue, it would need to grow by over 65% from current levels.

Recommended Next Steps

The alternative funding options listed above are intended to be the start of the discussion to address the funding gap for City infrastructure maintenance. To move forward in addressing the identified needs it is recommended that the Council start with the following next steps:

1. Discuss infrastructure funding gaps by category and prioritize the needs.

2. Discuss the policy questions posed in this report as well as others relevant to the issue.

3. Identify and discuss funding alternatives for the City to fund infrastructure maintenance.

4. Actively participate in state and regional infrastructure funding advocacy and planning.

Appendices

A. Pavement Management Program Report
B. 2014 State of California Local Streets and Roads Assessment

CITY OF MORGAN HILL

FY 2016
Executive Summary
Budget Options Report

March 13, 2016

Submitted to

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APPENDIX A **Network Summary**

APPENDIX B **Budget Needs Analysis**

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1. Abstract

City of Morgan Hill, California ("City") has contracted with Adhara Systems, Inc. ("Adhara") in 2015 for its Pavement Management System ("PMS") Condition and Budget Analysis for the next 5 fiscal years ("Project") starting fiscal year 2016-2017, FY2017. The Project includes updating the City's pavement management system database with the latest maintenance and rehabilitation ("M&R") work in accordance with the Metropolitan Transportation Commission ("MTC") StreetSaver Online Pavement Management Program ("PMP").

The City maintains 829 sections that amount to 117.9 centerline miles, 258.1 lane miles, or 24.9 million ft^2 (2.76 million yd^2) of network after adding Madrone Parkway from Monterey St. to Cochrane Rd.

The results of the M&R work conclude that the City's weighted average Pavement Condition Index ("PCI") of the entire network is 67 as of March 1, 2016, placing the City's network condition in the "Good (50<PCI<=70)" condition category.

This report analyzes the City's Budget Needs along with four additional budget scenarios that the City may want to apply to future M&R plans for the next five fiscal years. This report analyses a budget scenario that will best fit the City's needs.

The City reviewed and updated treatment types and its unit costs in the Decision Tree (see Appendix G) and assumed 3% interest and inflation rates to determine the City's Network Replacement Cost and Budget Needs. The City's Network Replacement Cost was calculated to be $167.7 million. The Budget Needs analysis determined that $60.7 million is needed for the City's M&R needs over the next five fiscal years. This will eliminate Deferred Maintenance defined by the PMS system and the City's network PCI will increase to 87.

The City has estimated an annual average budget of $1.43 million, starting with $2.56 million in FY2017, for the next five fiscal years. However, with this budget, the current PCI will drop from 67 to 60 in FY2021 and will result in $40.8 million in maintenance backlog. In order to maintain the current PCI of 67, the City will need to allocate an annual budget of $3.9 million. Additionally, to increase the current PCI by 5 points from 67 to 72, in the next five fiscal years, the City will need to allocate $6 million per year.

This report recommends the City to increase its average annual budget to $5.4 million to increase its PCI from 67 to 70 by FY2021 and maintain the Deferred Maintenance at $25 million level for the next five fiscal year period.

In the last report in 2014, the PMS budget analysis recommended $4.0 million per year of budget to raise PCI from 70 to 72.

2. Purpose

The purpose of this report is to assist the City in utilizing the budget options analyzed in the PMS. This report assesses the adequacy of the current budget and identifies a recommended budget scenario that meets the M&R needs recommended by the PMS and that will improve the City's M&R strategies over the next five fiscal years, and compares this cost to the City's current budget. The following criteria were used in identifying a recommended scenario:

- ***PCI value***: Maintain network PCI at the current value or higher
- ***Cost-effectiveness***: Allocate more funds to arterial/collector roads than residential roads with appropriate PM ratio
- ***Affordability***: Provide a realistic expenditure plan that can stabilize Deferred Maintenance or minimize increase.

3. Definitions and Assumptions

Deferred Maintenance:	Dollar amount of maintenance and rehabilitation work that should have been treated, but funding was not allocated.
Inflation Rate:	3%
Interest Rate:	3%
PCI Treated:	Future PCI value with budget allocation. It shows PCI trends with limited or unlimited budget.
PCI Untreated:	Future PCI value without budget. It shows PCI trends "what if there is no fund for certain period of time".

Preventive Maintenance ("PM"): Any treatment that extends pavement life more than five fiscal years and is applied to roads with a PCI of 71 or above. Common examples of PM include slurry seal, chip seal, cape seal, etc.

PM %: Preventive and Maintenance amount vs. Total Budget. In order to have a balanced budget in budget scenarios, PM % might be varied.

Stop Gap: Dollar amount of temporary repairs applied to maintain the pavement in a usable condition (e.g. pothole repair). These repairs are temporary and do not extend the pavement life.

Stop Gap Interval: Number of years between applications of Stop Gap treatments that are applied to Deferred Maintenance sections. Set to 5 years in this report.

Surplus PM: Total amount of budget that is not used after Preventive Maintenance funding is allocated.

4. Network Description

The City's network consists of 117.9 centerline miles, 258.1 lane miles, 24.9 million ft^2 (2.76 million yd^2) of street, or 829 pavement sections. During the project, three sections of Madrone Parkway from Monterey Street to Cochrane Rd have been added due to M&R works applied to these road sections. GIS layer of the StreetSaver has been updated accordingly.

Table 1 and Figure 1 summarize the network inventory by functional classes. The network breakdown is as follows:

Functional class	Centerline miles	Lane miles	No. of sections	Area (1,000,000 ft²)	Area (1,000 yd²)	% of Area (Weight)
Arterial	20.1	60.0	94	6.3	701.2	25.4%
Collector	23.7	48.9	124	4.9	549.1	19.9%
Residential	74.2	149.2	611	13.6	1513.2	54.8%
Total Network	**117.9**	**258.1**	**829**	**24.9**	**2763.6**	**100%**

Table 1. Summary of the City's Network

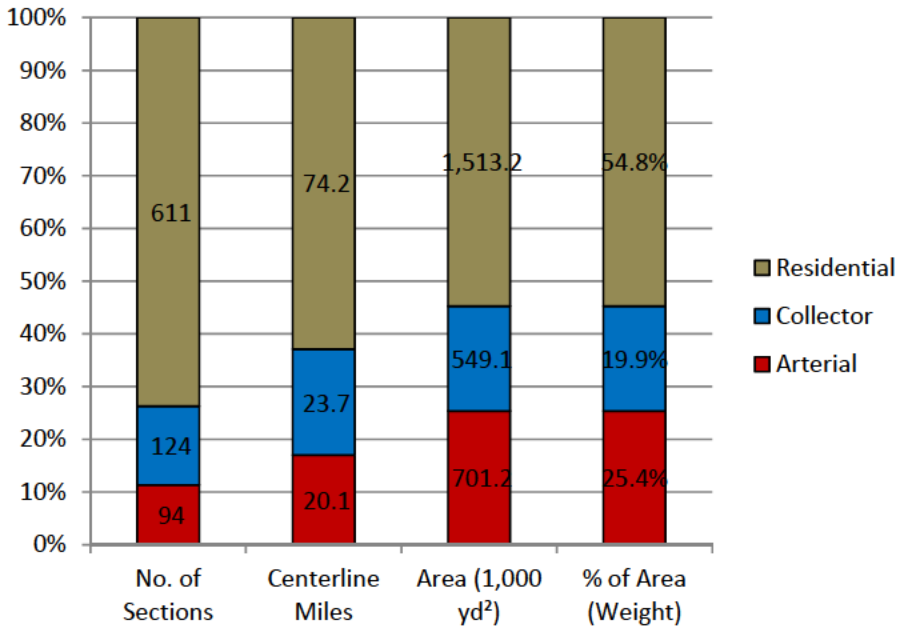

Figure 1. Inventory information and proportions to the road network

5. Current Condition

The current weighted average PCI for the City's network is 67 as of March 1, 2016, placing the City's network condition in the "Good (50<PCI<=70)" condition category. The following table and figure show the City's network statistics in terms of the PCI rating categories. The PCI rating categories are from StreetSaver Online V9.

PCI Ratings	No. of sections	Centerline miles	Area (1,000 yd²)	% (Area)
Very Good (70<PCI)	437	59.3	1,435.6	51.9%
Good (50<PCI<=70)	233	34.0	784.1	28.4%
Poor (25<PCI<=50)	133	20.8	478.3	17.3%
Very Poor (PCI<=25)	26	3.8	65.7	2.4%
Total	829	117.9	2,763.6	100.0%

Table 2. PCI Rating Category for the Entire Network

As the figure below shows, 670 out of 829 sections or 80.3% in area, are categorized as "Good (50<PCI<=70)" or above conditions and 26 sections or 2.4% in area, are in "Very Good (PCI<=25)" condition.

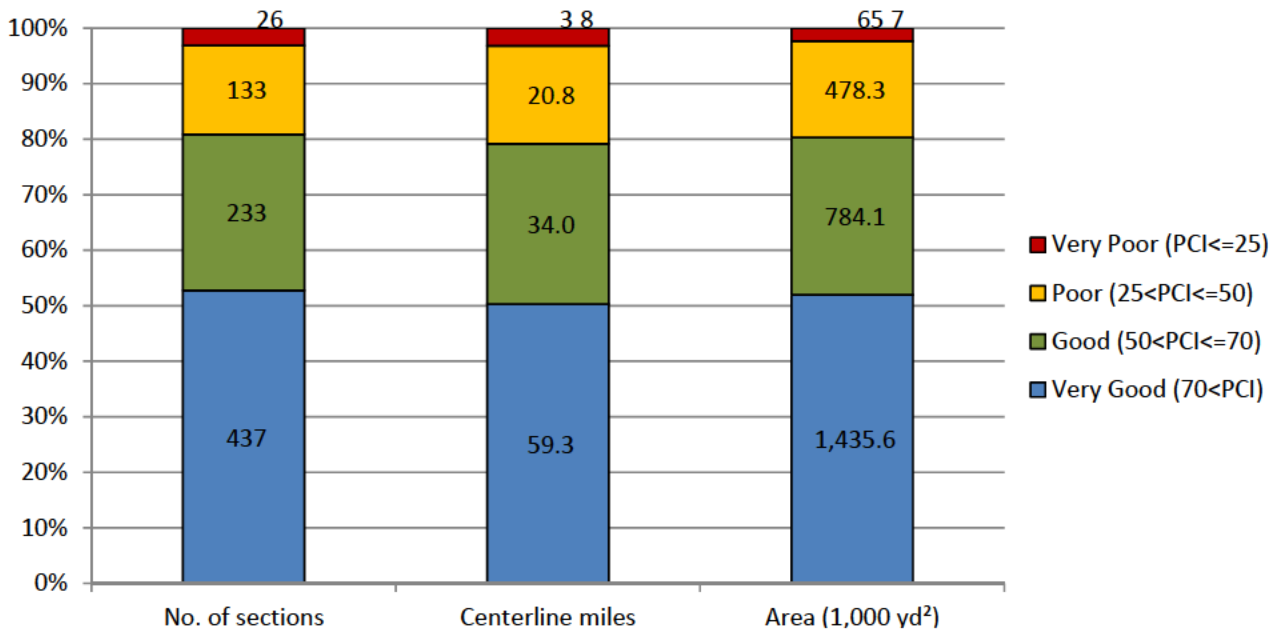

Figure 2. PCI Rating Categories for the Entire Network

The following table and figure illustrate the weighted average PCI of the City's network by functional classes. As shown in Table 3, the Arterial functional class is in "Very Good (70<PCI)" condition while the Collector and Residential functional classes are in "Good (50<PCI<=70)" condition.

Functional Class	No. of Sections	Weighted Average PCI	Centerline miles	Area (1,000 yd²)	% of Area (Weight)
Arterial	94	71	20.1	701.2	25.4%
Collector	124	68	23.7	549.1	19.9%
Residential	611	65	74.2	1,513.2	54.8%
Total/Average	**829**	**67**	**117.9**	**2,763.6**	**100.0%**

Table 3. Weighted PCI Average by Functional Classes

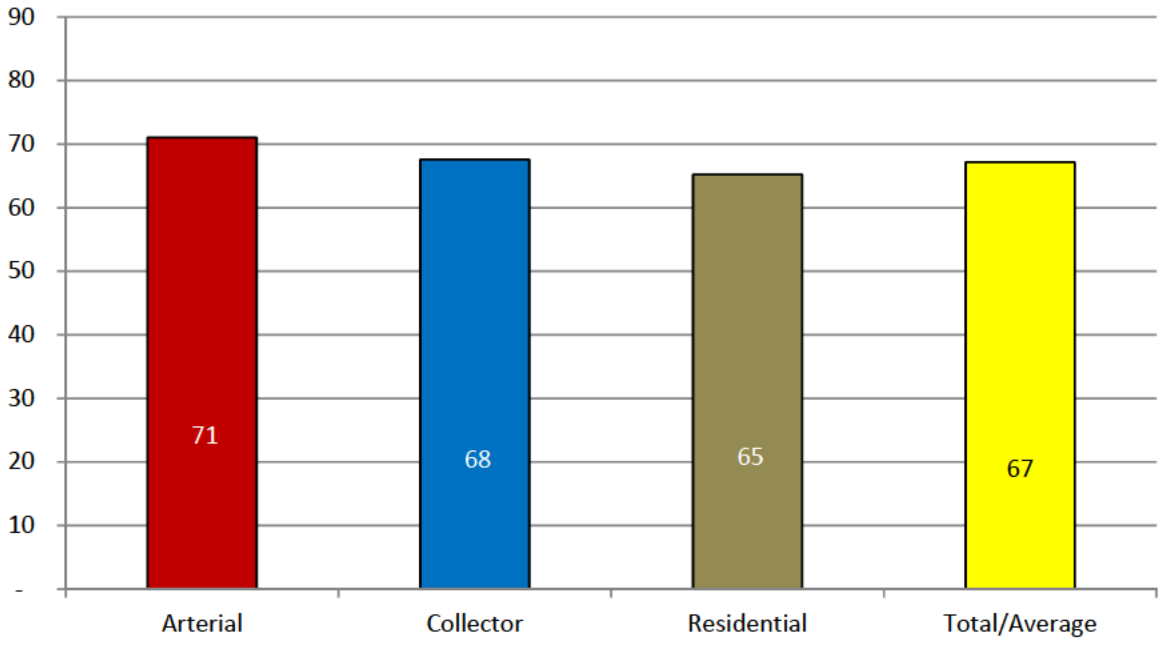

Figure 3. Weighted PCI Average by Functional Classes

6. Budget Plan (FY2017 to FY2021)

For the next five fiscal years (FY2017 – FY2021), the City is proposing to spend $7.15 million, or an average of $1.43 million a year on roadway Maintenance and Rehabilitation, and $2.14 million or an average of $0.43 million a year, on Preventive Maintenance. This results in an average PM ratio of 29.9%. Table 4 shows the details of the City's proposed pavement funding over the next five fiscal years.

Funding	FY2017	FY2018	FY2019	FY2020	FY2021	TOTAL
Total M&R	**$2.56**	**$1.15**	**$1.15**	**$1.15**	**$1.15**	**$7.15**
PM Only	$0.30	$0.46	$0.46	$0.46	$0.46	$2.14

Table 4. Proposed M&R Funding for the next five fiscal years ($ in million)

7. Budget Needs

Based on the principle that it costs less to maintain roads in good condition than bad, the MTC PMP strives to develop a maintenance strategy that will first improve the overall condition of the network, and then sustain it at that level.

The first step is to develop a cost-effective M&R strategy by determining, assuming unlimited resources, the maintenance "needs" of the City's road network. Using the Budget Needs module, maintenance needs over the next five fiscal years were estimated at $60.7 million. If the City follows the strategy recommended by the program, the average network PCI will increase to 87 in FY2021. If, however, no maintenance is applied over the next five fiscal years, roads already distressed will continue to deteriorate and the network PCI will drop to 56. The results of the Budget Needs analysis are summarized in the table and figure below. Appendix B presents the Budget Needs Report in detail.

	FY2017	FY2018	FY2019	FY2020	FY2021	Total
Budget	$25.2	$5.9	$10.0	$6.6	$13.0	$60.7
Rehab	$23.2	$5.6	$9.8	$6.5	$9.8	$54.9
Preventive Maintenance	$2.0	$0.3	$0.2	$0.1	$3.2	$5.8
Deferred Maintenance	$0.0	$0.0	$0.0	$0.0	$0.0	
Treated PCI	79	79	81	82	87	
Untreated PCI	65	63	61	58	56	

Table 5. Summary of Results from Needs Analysis ($ in million)

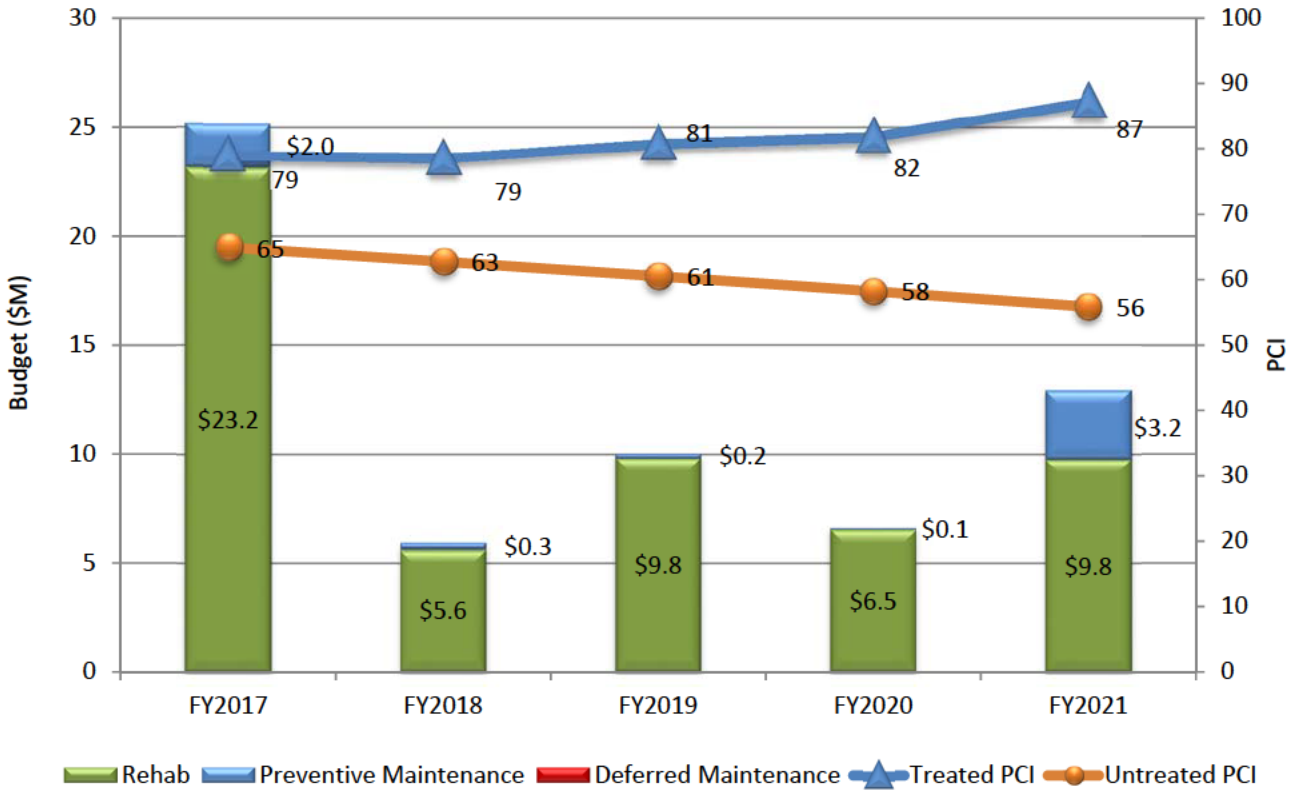

Figure 4. Summary of Results from Needs Analysis

8. Budget Scenarios

Having projected the Budget Needs of the City's road network, the next step in developing a cost-effective M&R strategy is to conduct various what-if analyses. The PMP budget scenario module can project the effects of the different scenarios on pavement condition and deferred maintenance. By analyzing the effects on these indicators, the advantages and disadvantages of different funding levels and M&R strategies become clear. The following scenarios were run and analyzed for a five fiscal year period.

Scenario 1 - Unconstrained Budget: In this scenario, the total budget amount for the next five fiscal years is defined by the Budget Needs, or where the budget is not constrained. In order to gradually reduce the backlog, as opposed to the heavy front-loading approach by Budget Needs, this scenario distributed the total Budget Needs more evenly over the next five fiscal years (i.e., Budget Needs divided by 5 for an annual budget).

Scenario 2 - Current Budget Level: Planned budget of $1.43 million per year with 29.9% of PM applied for the next five fiscal years.

Scenario 3 - Maintaining Current PCI: This scenario identifies a budget scenario to maintain the current PCI of 67 over the next five years. StreetSaver's Target Driven Scenario module was utilized to calculate the optimum amount of rehabilitation and maintenance for this scenario over the next five fiscal years.

Scenario 4 - Increasing PCI: This scenario identifies a budget scenario to improve the current PCI by 5 points from 67 to 72 during the five fiscal year period. StreetSaver's Target Driven Scenario module was utilized to calculate the optimum amount of rehabilitation and maintenance for this scenario over the next five fiscal years.

The annual budget amounts in the Summary of Results tables in this section do not precisely match the total amount of actual spending. This is because the annual budget amounts are available fund and actual spending amounts are calculated by the StreetSaver program and vary annually depending on the selected streets for a particular year.

8.1 Scenario 1: Unconstrained Budget

This budget scenario distributes Budget Needs, which assumes unlimited resources, over five fiscal years to avoid a heavily front-loaded budget plan. The results indicate an estimated annual budget of $12.1 million will improve the City's network condition by increasing the network PCI from 67 to 85 and by reducing the maintenance backlog from $25.2 million (Budget Needs in FY2017, prior to FY2017 budget execution) to $0 in five fiscal years. The following table and figure summarize the results of the Unconstrained Budget scenario analysis. Appendix C-1 presents the detailed results of the Unconstrained Budget scenario analysis.

	FY2017	FY2018	FY2019	FY2020	FY2021	Total
Budget	$12.1	$12.1	$11.3	$11.0	$12.1	$58.6
Rehab	$11.0	$11.0	$11.0	$10.9	$10.3	$54.1
PM + Stop Gap	$1.2	$1.2	$0.3	$0.1	$1.8	$4.5
Deferred Maintenance	$13.1	$5.9	$4.7	$0.4	$0.0	
Treated PCI	72	76	78	81	85	
Untreated PCI	65	63	61	58	56	

Table 6. Summary of Results for Scenario 1 (Unconstrained, $ in million)

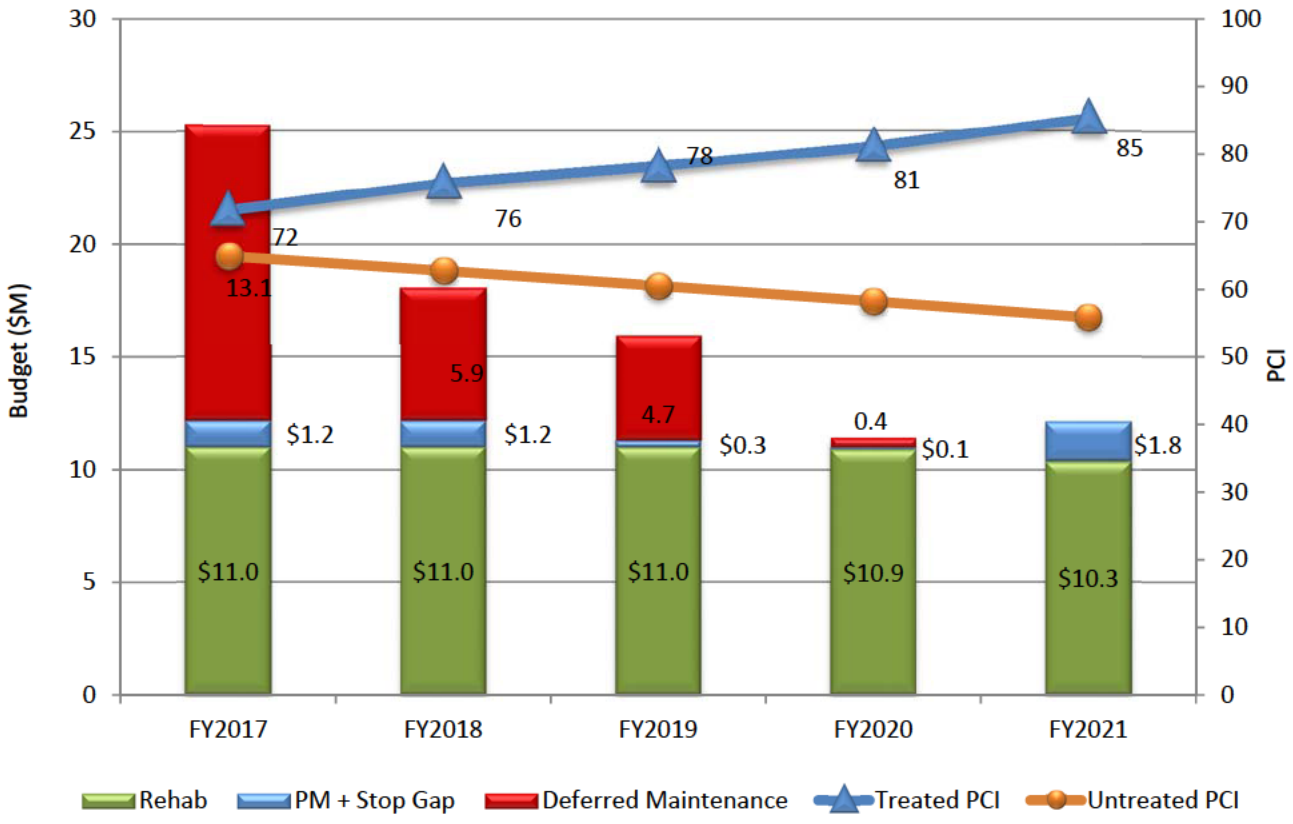

Figure 5. PCI vs. Cost Breakdown for Scenario 1 (Unconstrained)

8.2 Scenario 2: Current Budget Plan

The City's planned budget level is an average of $1.43 million per year, starting with $2.56 million in FY2017, with 29.9% of an average annual budget allocated for PM. The results indicate that the network PCI will decrease by 7 points from 67 to 60. In addition, the backlog of work will increase from $25.2 million (Budget Needs in FY2017, prior to FY2017 budget execution) to $40.8 million in FY2021. The following table and figure summarize the results of the Current Budget scenario analysis. Appendix C-2 presents the detailed results for the Current Budget scenario analysis.

	FY2017	FY2018	FY2019	FY2020	FY2021	Total
Budget	$2.6	$1.1	$1.1	$1.1	$1.1	$7.1
Rehab	$2.3	$0.7	$0.7	$0.7	$0.7	$5.0
PM + Stop Gap	$0.3	$0.5	$0.5	$0.5	$0.5	$2.1
Deferred Maintenance	$22.8	$25.5	$30.3	$33.2	$40.8	
Treated PCI	66	65	63	62	60	
Untreated PCI	65	63	61	58	56	

Table 7. Summary of Results for Scenario 2 (Current budget level, $ in million)

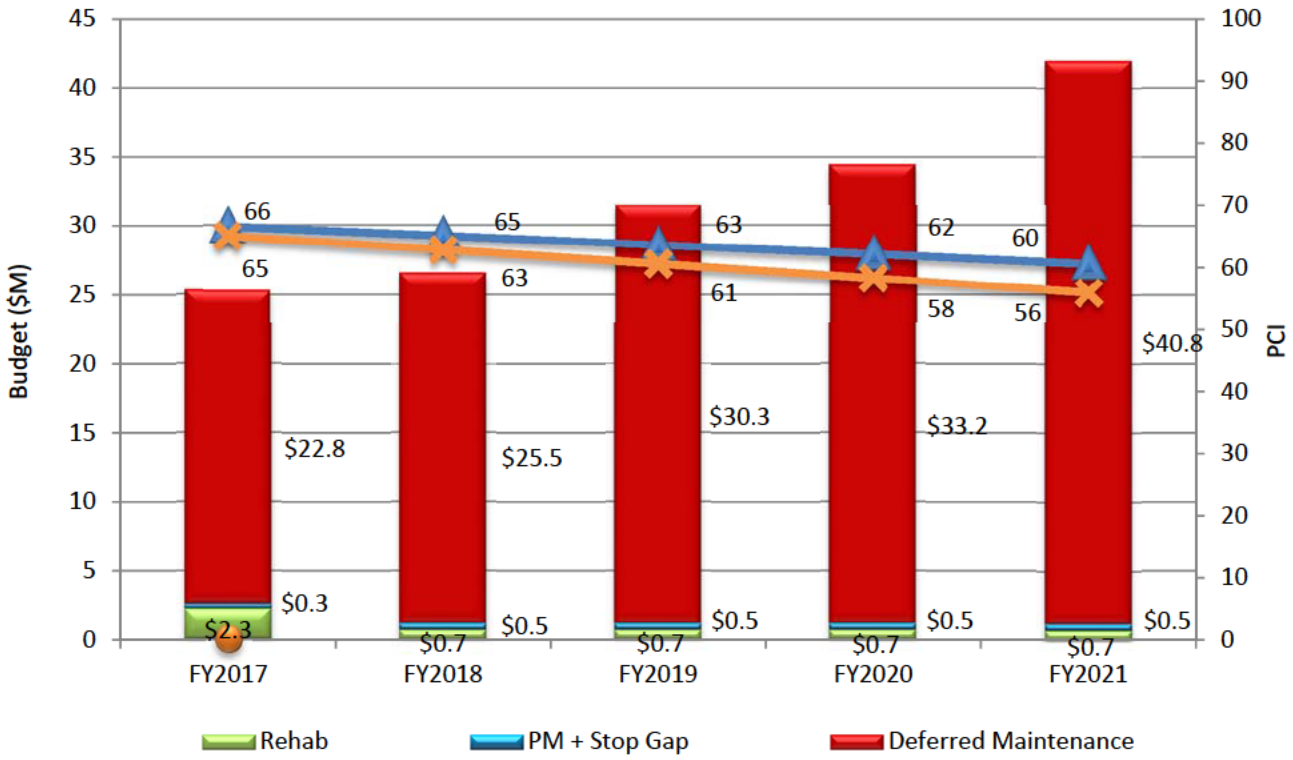

Figure 6. PCI vs. Cost Breakdown for Scenario 2 (Current Budget Plan)

8.3 Scenario 3: Maintaining PCI

In order to maintain the current network PCI of 67, an average annual budget of $3.9 million needs to be allocated, with 18.1% of the budget, or an average annual budget of $0.7 million reserved for PM. The maintenance backlog will be increased from $25.2 million (Budget Needs in FY2017, prior to FY2017 budget execution) to $30.7 million in FY2021. The following table and figure below summarize the results of the Maintaining PCI scenario analysis and Appendix C-3 presents the detailed results for the Maintaining PCI scenario analysis.

	FY2017	FY2018	FY2019	FY2020	FY2021	Total
Budget	$3.9	$3.9	$3.9	$3.9	$3.9	$19.5
Rehab	$3.2	$3.2	$3.2	$3.2	$3.2	$16.0
PM + Stop Gap	$0.7	$0.7	$0.7	$0.7	$0.7	$3.5
Deferred Maintenance	$21.4	$21.3	$25.0	$25.6	$30.7	
Treated PCI	67	68	67	67	67	
Untreated PCI	65	63	61	58	56	

Table 8. Summary of Results for Scenario 3 (Maintaining PCI, $ in million)

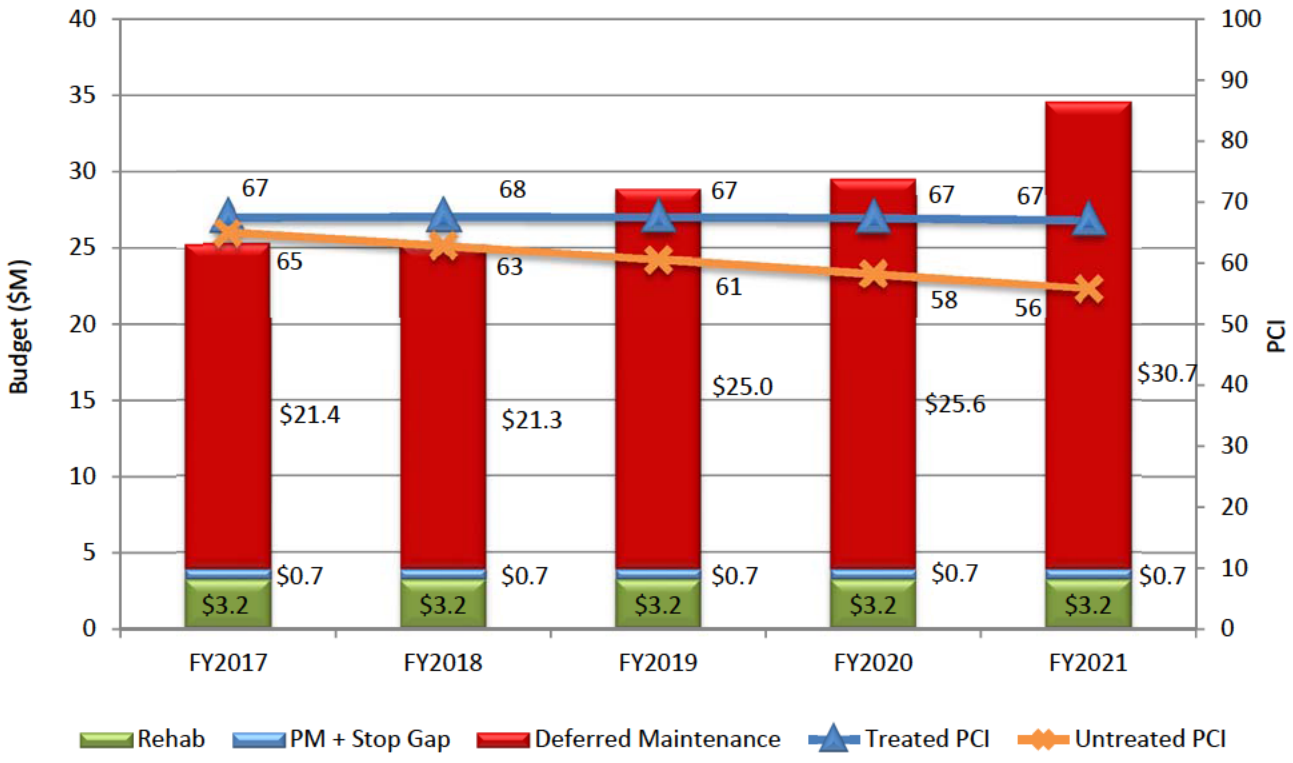

Figure 7. PCI vs. Cost Breakdown for Scenario 3 (Maintaining PCI)

8.4 Scenario 4: Increasing PCI

To increase the current PCI by 5 points from 67 to 72 in the next five fiscal year period, an annual budget of $6.0 million is needed, with 12% of the budget, or an annual budget of $0.7 million reserved for PM. The backlog of work will be stabilized at around $23 million in FY2021. The following table and figure summarize the results of the Increasing PCI scenario analysis and Appendix C-4 presents the detailed results for the Increasing PCI scenario analysis.

	FY2017	FY2018	FY2019	FY2020	FY2021	Total
Budget	$6.0	$6.0	$6.0	$6.0	$6.0	$29.9
Rehab	$5.3	$5.3	$5.3	$5.3	$5.3	$26.4
PM + Stop Gap	$0.7	$0.7	$0.7	$0.7	$0.7	$3.6
Deferred Maintenance	$19.3	$17.5	$19.0	$17.6	$22.9	
Treated PCI	68	69	70	71	72	
Untreated PCI	65	63	61	58	56	

Table 9. Summary of Results for Scenario 4 (Increasing PCI, $ in million)

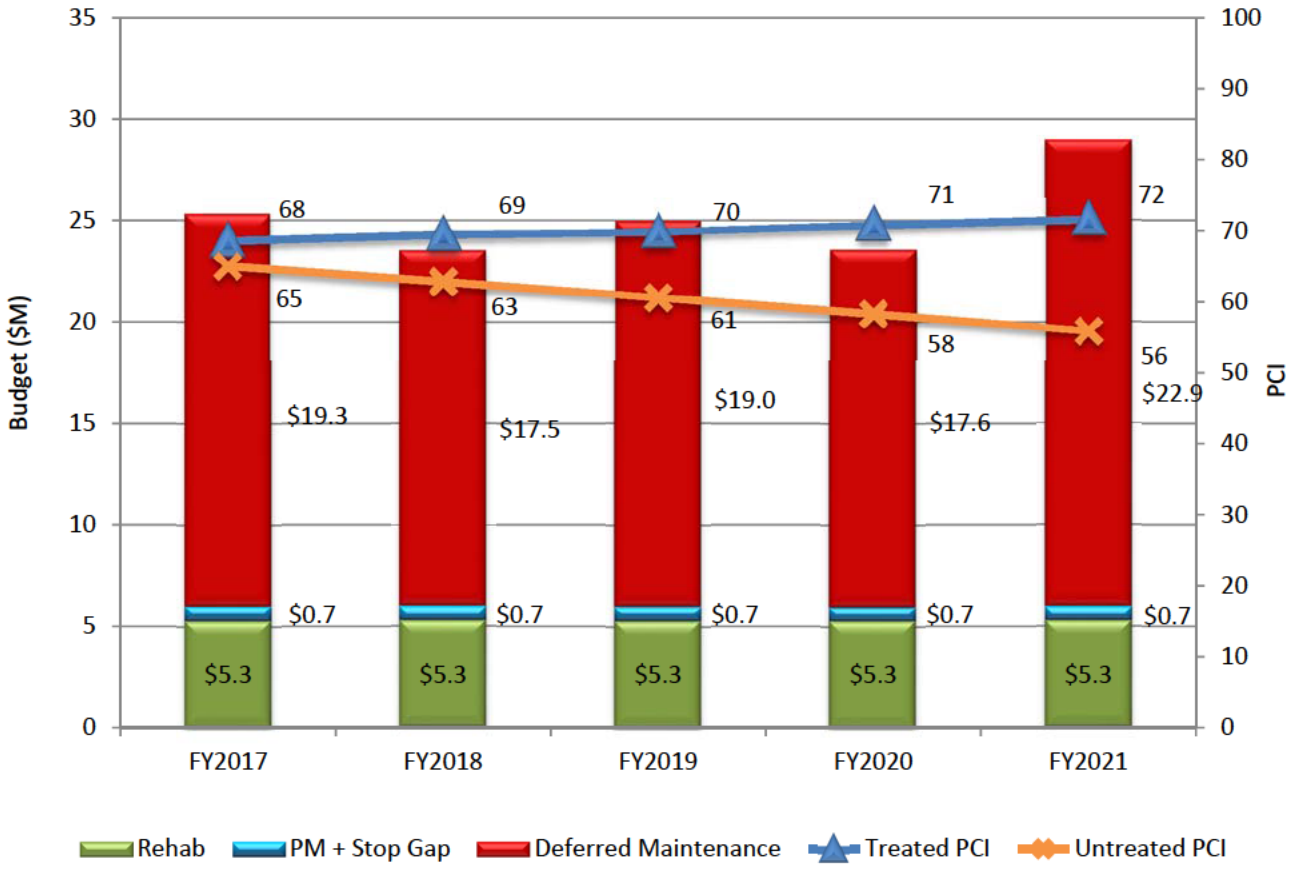

Figure 8. PCI vs. Cost Breakdown for Scenario 4 (Increasing PCI)

9. Budget Analysis Comparison

Each scenario analyzed in the above section has advantages and disadvantages. This section compares the PCI's and Deferred Maintenance backlog costs for each scenario over the next five-year period.

Figure 9 below illustrates the change in PCI and Deferred Maintenance backlog costs over time for the different budget scenarios. The Unconstrained Budget scenario is the ideal strategy to increase the network PCI to 85 and decrease Deferred Maintenance to $0. However, an annual budget of $12.2 million is not realistic considering the current spending.

With the Current Budget Plan scenario of an average of $1.43 million a year, the PCI will decrease from 67 to 60 at the end of the five fiscal year period and Deferred Maintenance backlog will increase to $40.8 million. To maintain the current PCI of 67, the City needs to increase its budget level to $3.9 million a year which will increase the Deferred Maintenance backlog to $30.7 million. With $6 million a year funding, the City can increase the current PCI by 5 points from 67 to 72 by the end of FY2021 and decrease the Deferred Maintenance backlog to $22.9 million from $25.2 million of Needs in FY2017, that is the Deferred Maintenance backlog amount before the FY2017 budget execution.

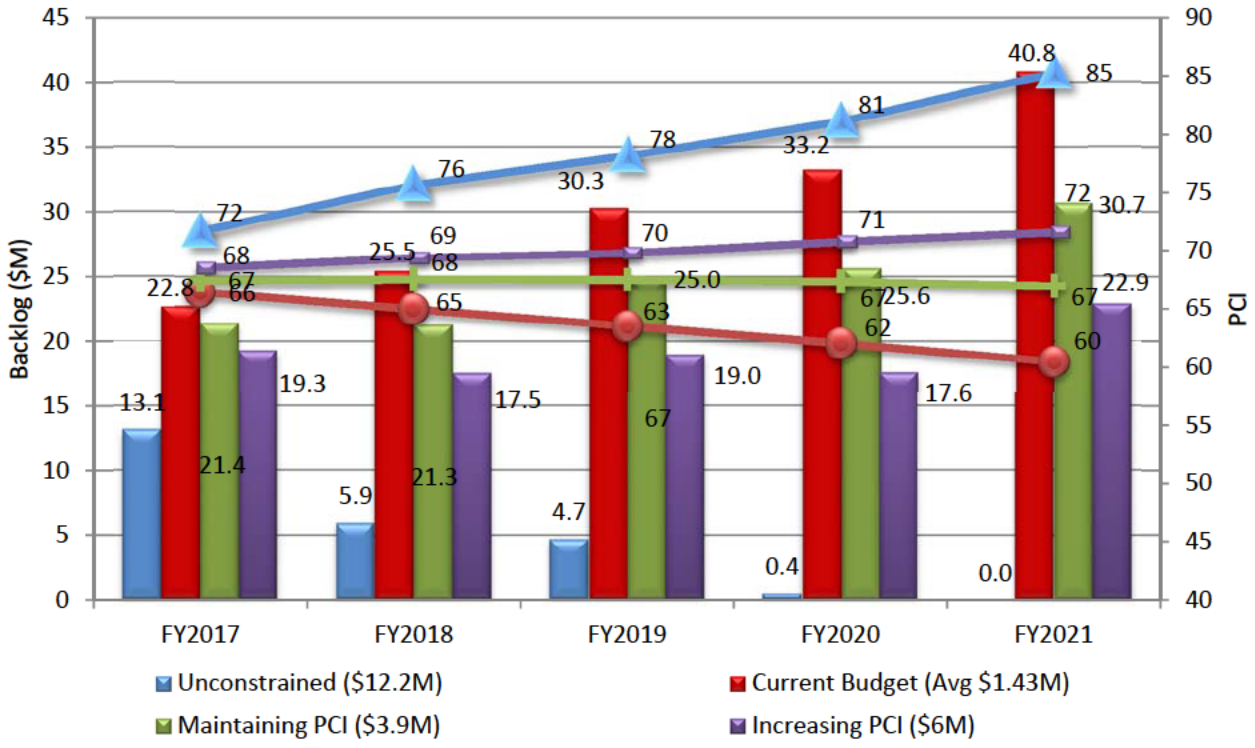

Figure 9. PCI and Deferred Maintenance by Scenario by Year

Figure 10 shows the pavement condition changes under the different scenarios. The stacked columns in the figure compare the contribution of each pavement condition category for the next five fiscal year period. As of March 1, 2016, 51.9 % of the pavements area is in the "Very Good (70<PCI)" condition category and 19.7% in area is in "Poor (25<PCI<=50)" and "Very Poor (PCI<=25)" condition categories. Under the Unconstrained Budget, majority of the pavement sections (94.8% in area) will be in the "Very Good (70<PCI)" condition category by FY2021. With the City's current budget plan, the pavements in the "Poor (25<PCI<=50)" and "Very Poor (PCI<=25)" condition categories will increase to 29.8% and decrease the proportion of the pavements in "Very Good (70<PCI)" condition category to 39.4 %. Spending an annual budget of $3.9 million for the Maintaining PCI scenario will increase the percentage of pavements in the "Poor (25<PCI<=50)" and "Very Poor (PCI<=25)" condition categories to 25.7%, and will increase the proportion of the "Very Good (70<PCI)" condition categorized pavements to 57.8%. The Increasing PCI scenario will increase the percentage of pavements in the "Poor (25<PCI<=50)" and "Very Poor (PCI<=25)" condition categories to 18.4%; and will increase the proportion of the pavements in "Very Good (70<PCI)" condition category to 69.4%.

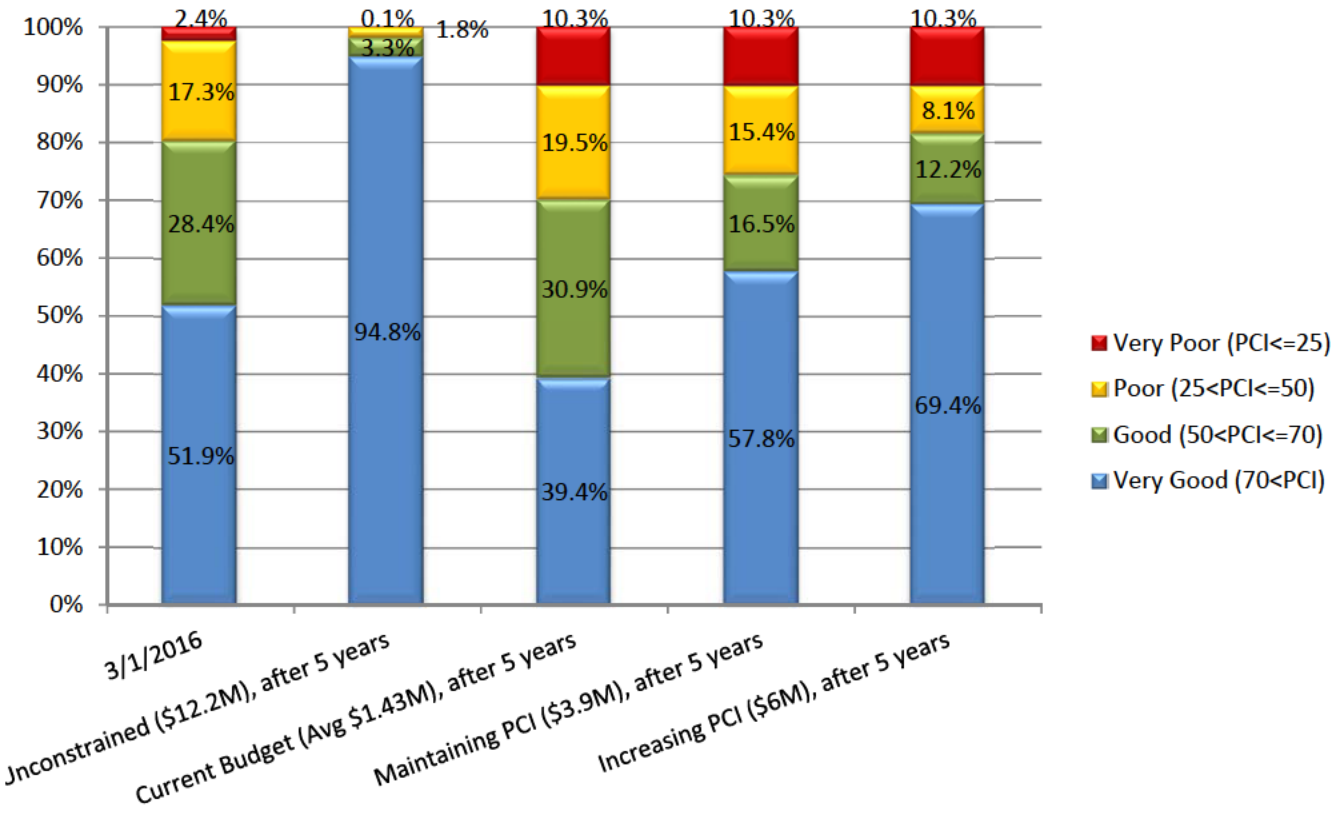

Figure 10. Pavement Condition Changes under Scenarios by FY2021

10. Recommendations

One of the goals in preparing a Budget Options Report is to identify a scenario that can increase overall PCI while sustaining a feasible Budget and Deferred Maintenance over the next five fiscal years. As discussed in the Budget Analysis Comparison, continuing the current average annual budget level of $1.43 million will decrease the City's average network PCI from 67 to 60 and will result in an increased backlog of work to $40.8 million by the end of the five fiscal year period. It is critical for the City to identify the required funding level for pavement M&R which will, at minimum, prevent the current PCI from decreasing. A Recommended Budget Scenario was identified for the City using the following selection criteria:

- Improvement of current PCI of 67
- Minimal gap between the Current Budget Level and the recommended budget level
- Stabilization of Deferred Maintenance

It is recommended that a total budget of $27 million be allocated over the next five fiscal years to increase the City's network PCI to 70 while maintaining a Deferred Maintenance backlog of approximately $25 million. This budget scenario is placed in-between Scenarios 3 (Maintaining PCI) and 4 (Increasing PCI) in terms of total budget and PCI increase. It satisfies the selection criteria as it increases PCI by two (2) points at the end of the five fiscal year period, stabilizes Deferred Maintenance, and minimizes the gap to the Current Budget Level. Appendix D presents the details of the results from the Recommended Budget scenario and Appendix F shows Sections Selected for Treatment.

Table 10 and Figure 11 below show the results of the Recommended Budget Scenario by analyzing different budget scenarios. Figure 12 and 13 show the pavement condition and remaining service life changes under the Recommended Budget Scenario.

	FY2017	FY2018	FY2019	FY2020	FY2021	Total
Budget	$5.4	$5.4	$5.4	$5.4	$5.4	$27.0
Rehab	$4.5	$4.5	$4.5	$5.2	$4.5	$23.2
PM + Stop Gap	$0.9	$0.9	$0.9	$0.2	$0.9	$3.8
Deferred Maintenance	$19.9	$18.8	$20.8	$19.3	$24.8	
Treated PCI	68	69	70	70	70	
Untreated PCI	65	63	61	58	56	

Table 10. Summary of Results for the Recommended Scenario ($ in million)

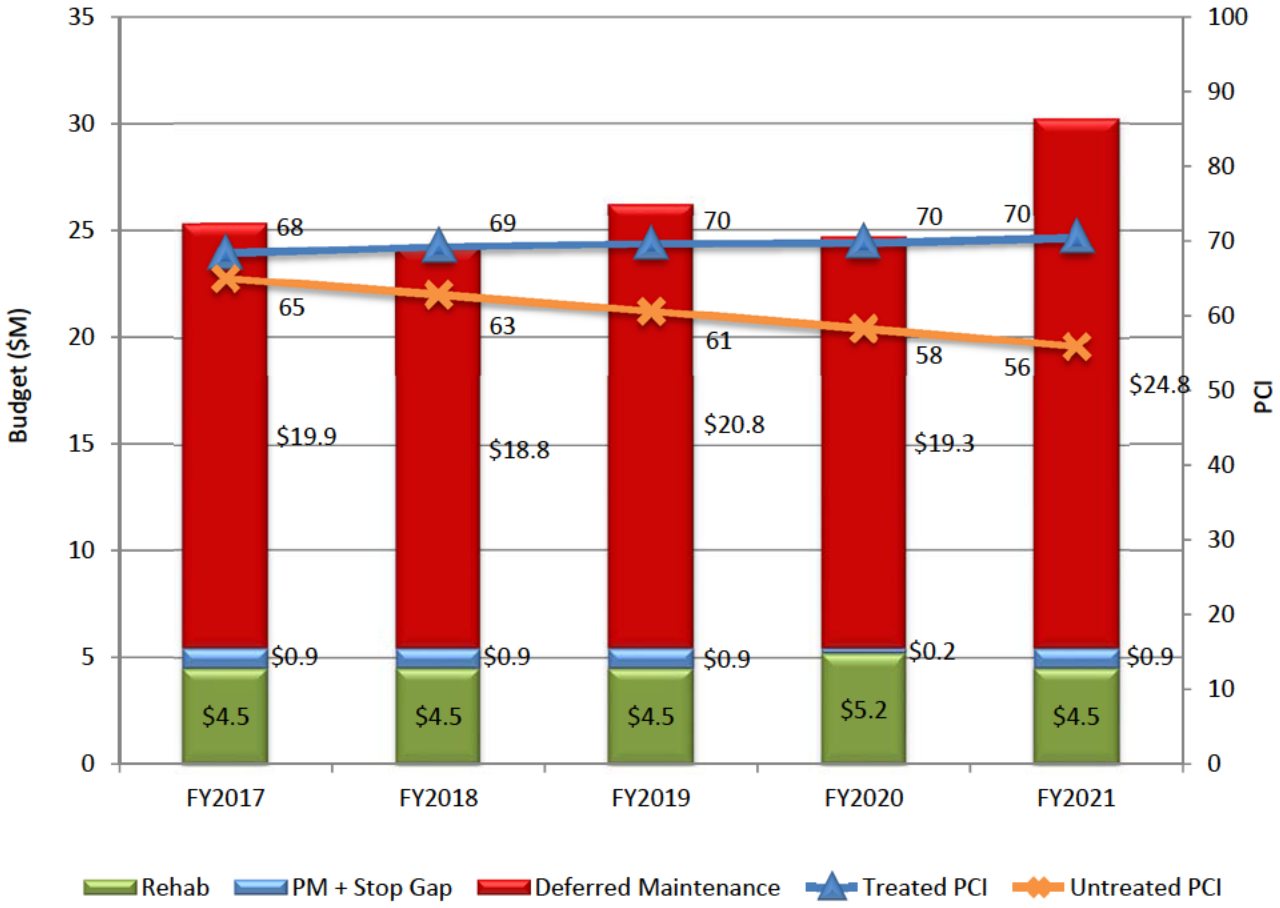

Figure 11. PCI vs. Cost Breakdown for Recommended Scenario

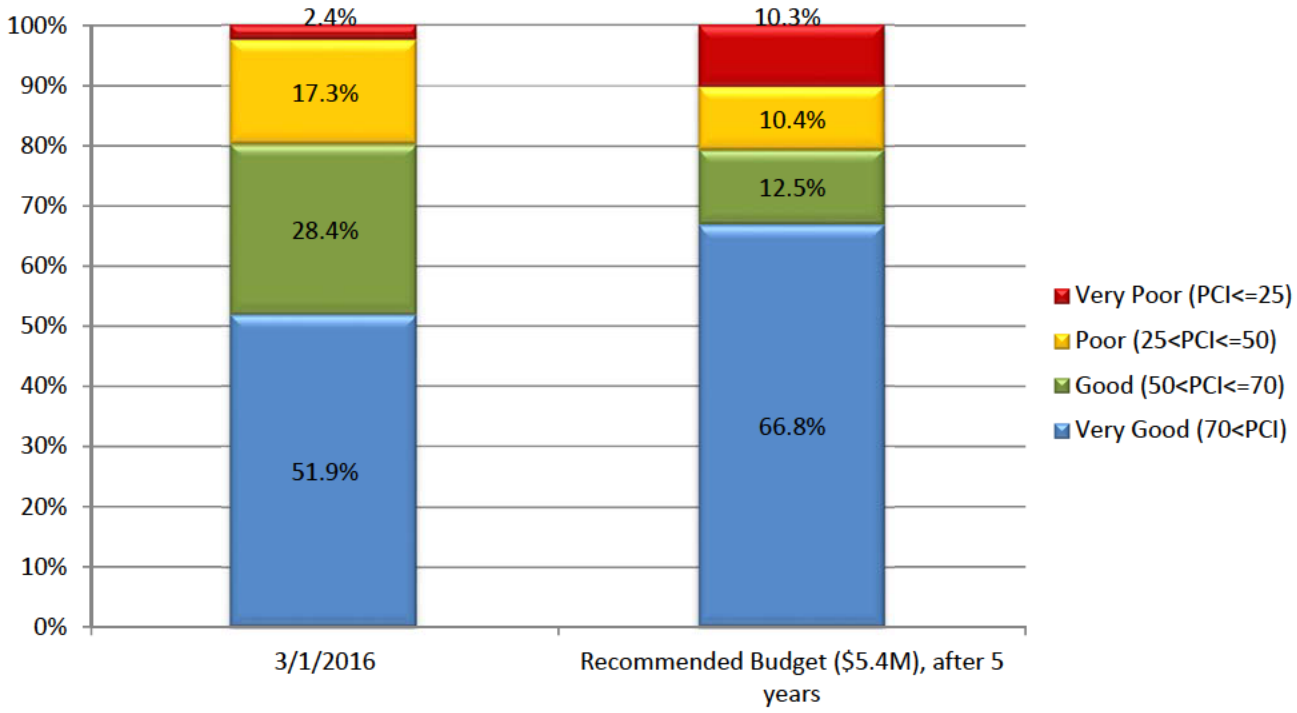

Figure 12. Pavement Condition Changes for Recommended Scenario

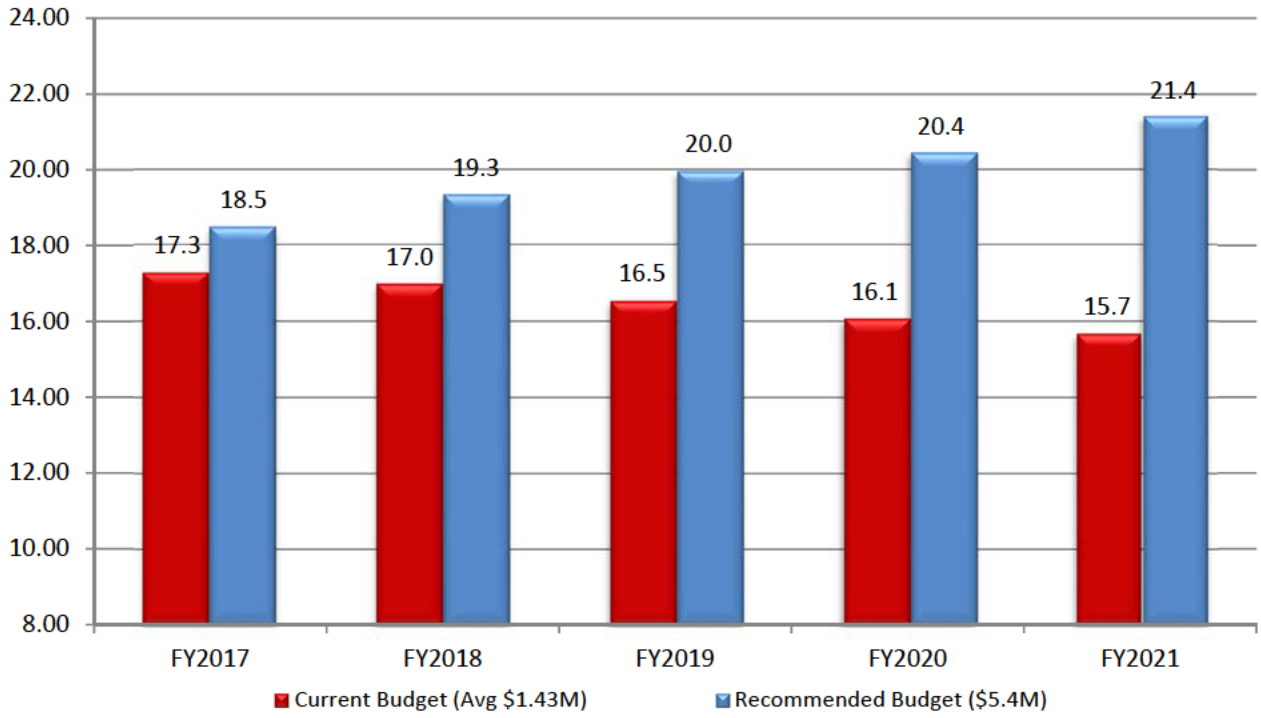

Figure 13. Remaining Service Life of the Network Changes for Current & Recommended Budget Scenario

In conclusion, it is recommended for the City to increase its average annual budget for Pavement Preventive Maintenance and Rehabilitation from an average annual $1.43 million to $5.4 million to improve the current weighted average network PCI from 67 to 70 and to stabilize the Deferred Maintenance at $25 million over the next five fiscal year period. The City should also maintain the planned PM ratio of 14% for the best network pavement condition using the least amount of funding. PM is a cost-efficient approach to preserving pavements because it extends the remaining service life of streets at a lower cost and prevents streets from deteriorating to conditions that require expensive rehabilitation treatments. It must be noted that an annual $4 million funding was recommended to increase PCI from 70 to 72 two years ago. Maintenance cost will increase if average PCI drops due to insufficient M&R funding.

Appendix A: Network Summary

Network Summary Statistics

Printed: 03/01/2016

	Total Sections	Total Center Miles	Total Lane Miles	PCI
Arterial	94	20.07	60.00	71
Collector	124	23.66	48.92	68
Residential/Local	611	74.16	149.21	65
** Combined	0	0.00	0.00	N/A
Total	829	117.89	258.12	

Overall Network PCI as of 3/1/2016: 67

** Combined Sections are those without a PCI Date - they have not been inspected or had a Treatment applied.

Network Replacement Cost

Printed: 03/08/2016

Functional Class	Surface Type	Lane Miles	Unit Cost/ Square Foot	Pavement Area/ Square Feet	Cost To Replace (in thousands)
Arterial	AC	24.7	$7.33	2,328,031	$17,072
	AC/AC	35.3	$7.33	3,983,058	$29,209
Collector	AC	39.2	$7.33	3,915,458	$28,713
	AC/AC	9.7	$7.33	1,026,513	$7,528
Residential/Local	AC	141.5	$6.26	13,006,367	$81,463
	AC/AC	7.3	$6.26	588,994	$3,689
	ST	0.4	$0.00	23,854	$0
	Grand Total:	258.1		24,872,275	$167,674

Appendix B: Budget Needs Report

Needs - Projected PCI/Cost Summary

Inflation Rate = 3.00 %

Printed: 03/08/2016

Year	PCI Treated	PCI Untreated	PM Cost	Rehab Cost	Cost
2017	79	65	$1,998,376	$23,164,043	$25,162,419
2018	79	63	$285,633	$5,638,728	$5,924,361
2019	81	61	$205,616	$9,827,892	$10,033,508
2020	82	58	$116,659	$6,519,673	$6,636,332
2021	87	56	$3,199,491	$9,768,167	$12,967,658

% PM	PM Total Cost	Rehab Total Cost	Total Cost
9.56%	$5,805,775	$54,918,503	$60,724,278

Needs - Preventive Maintenance Treatment/Cost Summary

Inflation Rate = 3.00 %

Printed: 03/08/2016

Treatment	Year	Area Treated		Cost
CAPE SEALS	2020	6,621.22	sq.yd.	$72,136
	2021	7,233.78	sq.yd.	$81,173
	Total	13,855		$153,309
SEAL CRACKS	2017	1,028.45	ft.	$584
	2018	479.65	ft.	$300
	2020	17,547.13	ft.	$10,099
	2021	2,215.89	ft.	$1,350
	Total	21,271.12		$12,333
SLURRY SEAL	2017	54,798.89	sq.yd.	$150,705
	2021	5,901.89	sq.yd.	$18,268
	Total	60,700.78		$168,973
SLURRY SEAL - TYPE II	2017	811,718.22	sq.yd.	$1,847,087
	2018	109,546	sq.yd.	$285,333
	2019	57,485.56	sq.yd.	$167,717
	2021	1,170,595.11	sq.yd.	$3,065,949
	Total	2,149,344.89		$5,366,086
SLURRY SEALS	2019	16,849.11	sq.yd.	$37,899
	2020	14,858.22	sq.yd.	$34,424
	2021	13,725.33	sq.yd.	$32,751
	Total	45,432.67		$105,074
	Total Quantity	2,290,604.45		$5,805,775

Needs - Rehabilitation Treatment/Cost Summary

Inflation Rate = 3.00 %

Printed: 03/08/2016

Treatment	Year		Area Treated		Cost
CAPE SEAL	2017		149,993.56	sq.yd.	$1,244,975
	2018		51,254.44	sq.yd.	$438,183
	2019		63,808.11	sq.yd.	$561,873
	2020		17,928.56	sq.yd.	$162,609
		Total	282,984.67	sq.yd.	$2,407,640
2 IN AC OVERLAY	2017		286,792.11	sq.yd.	$8,196,305
	2018		48,616.78	sq.yd.	$1,254,416
	2019		136,462.22	sq.yd.	$3,874,969
		Total	471,871.11	sq.yd.	$13,325,690
2 IN AC OVERLAY W/ FABRIC	2017		273,000.56	sq.yd.	$9,609,580
	2018		75,499	sq.yd.	$2,744,918
	2019		65,939.22	sq.yd.	$2,473,582
	2020		70,209.67	sq.yd.	$2,657,305
	2021		103,033.33	sq.yd.	$4,057,630
		Total	587,681.78	sq.yd.	$21,543,015
RECONSTRUCTION	2017		71,488.11	sq.yd.	$4,113,183
	2018		19,630.78	sq.yd.	$1,201,211
	2019		46,531.89	sq.yd.	$2,917,468
	2020		55,313.22	sq.yd.	$3,699,759
	2021		83,380.11	sq.yd.	$5,710,537
		Total	276,344.11	sq.yd.	$17,642,158

Total Cost $54,918,503

Appendix C:

C-1. Unconstrained Budget Analysis

C-2. Current Budget Plan Analysis

C-3. Maintaining Current PCI Analysis

C-4. Increasing PCI Analysis

Scenarios - Cost Summary

Interest: 3.00% Inflation: 3.00% Printed: 03/08/2016

Scenario: 2015 Unconstrained ($12.2M, 9.6% PM)

Year	PM	Budget	Rehabilitation		Preventative Maintenance	Surplus PM	Deferred		Stop Gap
2017	10%	$12,145,000	II $5,025,005	Non-Project	$1,060,174	$0	$13,124,853	Funded	$106,795
			III $1,300,511					Unmet	$0
			IV $4,651,732	Project	$0				
			V $0						
			Total $10,977,248						
			Project $0						
2018	10%	$12,145,000	II $2,294,892	Non-Project	$1,152,101	$0	$5,915,301	Funded	$15,771
			III $1,783,734					Unmet	$0
			IV $6,897,618	Project	$0				
			V $0						
			Total $10,976,244						
			Project $0						
2019	10%	$12,145,000	II $3,470,675	Non-Project	$284,739	$856,870	$4,688,218	Funded	$24,311
			III $1,198,823					Unmet	$0
			IV $2,473,582	Project	$0				
			V $3,830,162						
			Total $10,973,242						
			Project $0						
2020	10%	$12,145,000	II $128,555	Non-Project	$98,403	$1,061,309	$448,632	Funded	$6,208
			III $0					Unmet	$0
			IV $2,657,305	Project	$0				
			V $8,080,004						
			Total $10,865,864						
			Project $0						
2021	10%	$12,145,000	II $115,552	Non-Project	$1,759,837	$0	$0	Funded	$0
			III $0					Unmet	$0
			IV $4,057,630	Project	$0				
			V $6,172,628						
			Total $10,345,810						
			Project $0						

Summary

Functional Class	Rehabilitation	Prev. Maint.	Funded Stop Gap	Unmet Stop Gap
Arterial	$14,634,257	$1,431,200	$2,151	$0
Collector	$14,675,802	$853,430	$15,792	$0

Year	PM	Budget	Rehabilitation	Preventative Maintenance	Surplus PM	Deferred	Stop Gap
	Residential/Local		$24,828,349	$2,070,624	$135,142	$0	
	Grand Total:		$54,138,408	$4,355,254	$153,085	$0	

Scenarios - Network Condition Summary

Interest: 3% Inflation: 3% Printed: 03/08/2016

Scenario: 2015 Unconstrained ($12.2M, 9.6% PM)

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$12,145,000	9.6%	2019	$12,145,000	9.6%	2021	$12,145,000	9.6%
2018	$12,145,000	9.6%	2020	$12,145,000	9.6%			

Projected Network Average PCI by year

Year	Never Treated	With Selected Treatment	Treated Centerline Miles	Treated Lane Miles
2017	65	72	35.75	83.21
2018	63	76	41.38	86.42
2019	61	78	18.27	40.36
2020	58	81	33.92	73.96
2021	56	85	51.92	111.54

Percent Network Area by Functional Class and Condition Category

Condition in base year 2017, prior to applying treatments.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	13.5%	9.5%	27.2%	0.0%	50.2%
II / III	7.0%	6.8%	15.2%	0.0%	29.0%
IV	4.8%	3.3%	10.1%	0.0%	18.2%
V	0.1%	0.2%	2.3%	0.0%	2.7%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Condition in year 2017 after schedulable treatments applied.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	21.5%	13.8%	29.2%	0.0%	64.5%
II / III	2.8%	3.4%	13.2%	0.0%	19.4%
IV	1.0%	2.4%	10.0%	0.0%	13.5%
V	0.1%	0.2%	2.3%	0.0%	2.7%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Condition in year 2021 after schedulable treatments applied.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	25.4%	19.9%	49.5%	0.0%	94.8%
II / III	0.0%	0.0%	3.3%	0.0%	3.3%
IV	0.0%	0.0%	1.8%	0.0%	1.8%
V	0.0%	0.0%	0.1%	0.0%	0.1%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Interest: 3.00% Inflation: 3.00% Printed: 03/08/2016

Scenario: 2015 Unconstrained ($12.2M, 9.6% PM)

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$12,145,000	9.6%	2019	$12,145,000	9.6%	2021	$12,145,000	9.6%
2018	$12,145,000	9.6%	2020	$12,145,000	9.6%			

Area of analyzed pavement sections for which maintenance and/or rehabilitation were deferred for each analysis year by functional classification in square yards.

Deferred Area by Functional Classification in Sq Yd

Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	11,578	115,785	678,535	0	805,898
2018	2,756	34,926	108,791	0	146,473
2019	0	0	78,386	0	78,386
2020	0	0	7,283	0	7,283

Percentage of analyzed pavement sections for which maintenance and/or rehabilitation were deferred for each analysis year by functional classification.

Deferred Area Percentage by Functional Classification

Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	0.4%	4.2%	24.6%	0.0%	29.2%
2018	0.1%	1.3%	3.9%	0.0%	5.3%
2019	0.0%	0.0%	2.8%	0.0%	2.8%
2020	0.0%	0.0%	0.3%	0.0%	0.3%
2021	0.0%	0.0%	0.0%	0.0%	0.0%

Scenarios - Network Remaining Life Summary

Interest: 3.00% Inflation: 3.00% Printed: 03/08/2016

Scenario: 2015 Unconstrained ($12.2M, 9.6% PM)

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$12,145,000	9.6%	2019	$12,145,000	9.6%	2021	$12,145,000	9.6%
2018	$12,145,000	9.6%	2020	$12,145,000	9.6%			

Average remaining life of analyzed pavement sections, weighted for section area, for each analysis year by functional classificaiton in years.

	Weighted Average by Functional Classification in Years				
Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	23.14	16.63	20.16	.00	20.22
2018	23.67	19.28	24.24	.00	23.11
2019	23.99	24.41	24.94	.00	24.59
2020	23.40	25.45	27.65	.00	26.14
2021	25.57	26.13	30.67	.00	28.47

Area of analyzed pavement sections with remaining life by time categories, for each analysis year by functional classification in square yards.

2017

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		2,757	28,367	34,254	41,799	107,274	486,780
COL		25,280	44,982	71,884	184,264	28,419	194,279
R/L		111,430	91,076	149,914	224,106	130,200	806,521
	Total	139,468	164,425	256,052	450,169	265,893	1,487,579

2018

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		8,259	22,866	46,957	0	101,162	521,988
COL		47,587	15,929	49,850	105,193	49,046	281,503
R/L		138,936	82,226	22,149	209,693	13,307	1,046,936
	Total	194,781	121,021	118,956	314,886	163,515	1,850,427

2019

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		28,367	0	42,826	0	81,098	548,940
COL		38,235	0	15,739	13,855	54,799	426,480
R/L		152,302	50,977	2,675	190,511	13,141	1,103,639
	Total	218,905	50,977	61,240	204,366	149,039	2,079,059

2020

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		22,866	0	41,799	0	86,889	549,677
COL		15,929	0	0	31,190	37,883	464,106
R/L		72,671	31,992	9,554	130,189	27,554	1,241,286
	Total	111,466	31,992	51,353	161,379	152,327	2,255,070

2021

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0	0	0	0	95,713	605,519
COL		0	0	0	33,185	28,654	487,269
R/L		39,458	13,336	11,594	69,261	15,839	1,363,758
	Total	39,458	13,336	11,594	102,446	140,206	2,456,546

Percent of area of analyzed pavement sections with remaining life by time categories, for each analysis year by functional clasification in square yards.

2017

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0.10	1.03	1.24	1.51	3.88	17.61
COL		0.91	1.63	2.60	6.67	1.03	7.03
R/L		4.03	3.30	5.42	8.11	4.71	29.18
	Total	5.05%	5.95%	9.27%	16.29%	9.62%	53.83%

2018

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0.30	0.83	1.70	0.00	3.66	18.89
COL		1.72	0.58	1.80	3.81	1.77	10.19
R/L		5.03	2.98	0.80	7.59	0.48	37.88
	Total	7.05%	4.38%	4.30%	11.39%	5.92%	66.96%

2019

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		1.03	0.00	1.55	0.00	2.93	19.86
COL		1.38	0.00	0.57	0.50	1.98	15.43
R/L		5.51	1.84	0.10	6.89	0.48	39.94
	Total	7.92%	1.84%	2.22%	7.39%	5.39%	75.23%

2020

Functional Class	0-2	2-5	5-10	10-15	15-20	>20
ART	0.83	0.00	1.51	0.00	3.14	19.89

2021

Functional Class	0-2	2-5	5-10	10-15	15-20	>20
COL	0.58	0.00	0.00	1.13	1.37	16.79
R/L	2.63	1.16	0.35	4.71	1.00	44.92
Total	4.03%	1.16%	1.86%	5.84%	5.51%	81.60%

2021

Functional Class	0-2	2-5	5-10	10-15	15-20	>20
ART	0.00	0.00	0.00	0.00	3.46	21.91
COL	0.00	0.00	0.00	1.20	1.04	17.63
R/L	1.43	0.48	0.42	2.51	0.57	49.35
Total	1.43%	0.48%	0.42%	3.71%	5.07%	88.89%

Scenarios - Cost Summary

Interest: 3.00% Inflation: 3.00% Printed: 03/09/2016

Scenario: 2015 Current Budget (Avg $1.43M, Avg 29.9% PM)

Year	PM	Budget	Rehabilitation		Preventative Maintenance	Surplus PM	Deferred		Stop Gap
2017	$300,000	$2,561,000	II $245,365	Non-Project	$145,573	$0	$22,755,953	Funded	$154,609
			III $0					Unmet	$0
			IV $2,015,305	Project	$0				
			V $0						
			Total $2,260,670						
			Project $0						
2018	$460,000	$1,147,000	II $685,500	Non-Project	$417,275	$0	$25,455,224	Funded	$44,183
			III $0					Unmet	$0
			IV $0	Project	$0				
			V $0						
			Total $685,500						
			Project $0						
2019	$460,000	$1,147,000	II $563,613	Non-Project	$384,572	$0	$30,287,356	Funded	$76,120
			III $0					Unmet	$0
			IV $122,518	Project	$0				
			V $0						
			Total $686,131						
			Project $0						
2020	$460,000	$1,147,000	II $527,285	Non-Project	$380,677	$184	$33,237,246	Funded	$79,139
			III $0					Unmet	$0
			IV $158,952	Project	$0				
			V $0						
			Total $686,237						
			Project $0						
2021	$460,000	$1,147,000	II $517,166	Non-Project	$356,222	$0	$40,780,001	Funded	$104,975
			III $0					Unmet	$0
			IV $168,549	Project	$0				
			V $0						
			Total $685,715						
			Project $0						

Summary

Functional Class	Rehabilitation	Prev. Maint.	Funded Stop Gap	Unmet Stop Gap
Arterial	$3,694,492	$687,455	$80,512	$0
Collector	$1,215,549	$86,876	$114,157	$0

Year	PM	Budget	Rehabilitation	Preventative Maintenance	Surplus PM	Deferred	Stop Gap
	Residential/Local		$94,212	$909,988	$264,357	$0	
	Grand Total:		$5,004,253	$1,684,319	$459,026	$0	

Scenarios - Network Condition Summary

Interest: 3% Inflation: 3% Printed: 03/09/2016

Scenario: 2015 Current Budget (Avg $1.43M, Avg 29.9% PM)

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$2,561,000	$300,000	2019	$1,147,000	$460,000	2021	$1,147,000	$460,000
2018	$1,147,000	$460,000	2020	$1,147,000	$460,000			

Projected Network Average PCI by year

Year	Never Treated	With Selected Treatment	Treated Centerline Miles	Treated Lane Miles
2017	65	66	8.09	18.93
2018	63	65	10.01	22.77
2019	61	63	7.20	17.82
2020	58	62	9.08	21.63
2021	56	60	12.94	27.34

Percent Network Area by Functional Class and Condition Category

Condition in base year 2017, prior to applying treatments.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	13.5%	9.5%	27.2%	0.0%	50.2%
II / III	7.0%	6.8%	15.2%	0.0%	29.0%
IV	4.8%	3.3%	10.1%	0.0%	18.2%
V	0.1%	0.2%	2.3%	0.0%	2.7%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Condition in year 2017 after schedulable treatments applied.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	15.6%	9.8%	27.2%	0.0%	52.6%
II / III	6.9%	6.6%	15.1%	0.0%	28.6%
IV	2.8%	3.3%	10.1%	0.0%	16.1%
V	0.1%	0.2%	2.3%	0.0%	2.7%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Condition in year 2021 after schedulable treatments applied.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	14.0%	4.3%	21.1%	0.0%	39.4%
II / III	6.1%	9.8%	14.9%	0.0%	30.9%
IV	4.1%	3.3%	12.1%	0.0%	19.5%
V	1.1%	2.5%	6.6%	0.0%	10.3%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Interest: 3.00% Inflation: 3.00% Printed: 03/09/2016

Scenario: 2015 Current Budget (Avg $1.43M, Avg 29.9% PM)

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$2,561,000	$300,000	2019	$1,147,000	$460,000	2021	$1,147,000	$460,000
2018	$1,147,000	$460,000	2020	$1,147,000	$460,000			

Area of analyzed pavement sections for which maintenance and/or rehabilitation were deferred for each analysis year by functional classification in square yards.

Deferred Area by Functional Classification in Sq Yd

Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	305,357	247,434	968,189	0	1,520,980
2018	323,870	300,399	892,396	0	1,516,665
2019	329,339	341,692	842,617	0	1,513,648
2020	180,495	338,574	810,453	0	1,329,522
2021	270,880	289,769	762,056	0	1,322,705

Percentage of analyzed pavement sections for which maintenance and/or rehabilitation were deferred for each analysis year by functional classification.

Deferred Area Percentage by Functional Classification

Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	11.0%	9.0%	35.0%	0.0%	55.0%
2018	11.7%	10.9%	32.3%	0.0%	54.9%
2019	11.9%	12.4%	30.5%	0.0%	54.8%
2020	6.5%	12.3%	29.3%	0.0%	48.1%
2021	9.8%	10.5%	27.6%	0.0%	47.9%

Scenarios - Network Remaining Life Summary

Interest: 3.00% Inflation: 3.00% Printed: 03/09/2016

Scenario: 2015 Current Budget (Avg $1.43M, Avg 29.9% PM)

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$2,561,000	$300,000	2019	$1,147,000	$460,000	2021	$1,147,000	$460,000
2018	$1,147,000	$460,000	2020	$1,147,000	$460,000			

Average remaining life of analyzed pavement sections, weighted for section area, for each analysis year by functional classificaiton in years.

	Weighted Average by Functional Classification in Years				
Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	18.14	12.28	18.71	.00	17.29
2018	17.92	11.46	18.55	.00	16.98
2019	17.67	11.08	17.99	.00	16.54
2020	17.41	10.94	17.29	.00	16.06
2021	16.95	10.44	16.99	.00	15.68

Area of analyzed pavement sections with remaining life by time categories, for each analysis year by functional classification in square yards.

2017

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		2,757	28,367	82,655	124,749	186,526	276,177
COL		25,280	65,560	92,994	242,470	45,218	77,587
R/L		111,430	91,076	150,469	224,106	174,525	761,640
	Total	139,468	185,003	326,119	591,325	406,268	1,115,404

2018

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		8,259	35,141	112,180	101,101	147,045	297,507
COL		47,587	51,106	129,874	222,901	30,968	66,672
R/L		138,936	82,782	163,611	236,635	161,029	730,254
	Total	194,781	169,029	405,665	560,637	339,042	1,094,432

2019

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	45,216	92,971	103,443	120,957	307,521
COL		68,757	63,005	129,879	187,881	19,298	80,289
R/L		183,521	59,042	157,145	242,867	189,572	681,100
	Total	283,402	167,263	379,995	534,191	329,827	1,068,909

2020

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	45,216	109,460	114,440	77,689	323,303
COL		90,840	63,942	133,631	149,172	18,527	92,996
R/L		202,506	82,573	182,131	217,661	214,115	614,260
	Total	324,471	191,731	425,221	481,273	310,330	1,030,560

2021

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		43,400	58,024	84,325	127,291	55,257	332,936
COL		98,693	56,089	194,566	79,485	18,527	101,748
R/L		221,717	103,785	204,983	209,130	186,108	587,523
	Total	363,810	217,898	483,874	415,905	259,892	1,022,207

Percent of area of analyzed pavement sections with remaining life by time categories, for each analysis year by functional clasification in square yards.

2017

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0.10	1.03	2.99	4.51	6.75	9.99
COL		0.91	2.37	3.36	8.77	1.64	2.81
R/L		4.03	3.30	5.44	8.11	6.32	27.56
	Total	5.05%	6.69%	11.80%	21.40%	14.70%	40.36%

2018

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0.30	1.27	4.06	3.66	5.32	10.77
COL		1.72	1.85	4.70	8.07	1.12	2.41
R/L		5.03	3.00	5.92	8.56	5.83	26.42
	Total	7.05%	6.12%	14.68%	20.29%	12.27%	39.60%

2019

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		1.13	1.64	3.36	3.74	4.38	11.13
COL		2.49	2.28	4.70	6.80	0.70	2.91
R/L		6.64	2.14	5.69	8.79	6.86	24.65
	Total	10.25%	6.05%	13.75%	19.33%	11.93%	38.68%

2020

Functional Class	0-2	2-5	5-10	10-15	15-20	>20
ART	1.13	1.64	3.96	4.14	2.81	11.70

2021

Functional Class	0-2	2-5	5-10	10-15	15-20	>20
COL	3.29	2.31	4.84	5.40	0.67	3.37
R/L	7.33	2.99	6.59	7.88	7.75	22.23
Total	11.74%	6.94%	15.39%	17.41%	11.23%	37.29%

2021

Functional Class	0-2	2-5	5-10	10-15	15-20	>20
ART	1.57	2.10	3.05	4.61	2.00	12.05
COL	3.57	2.03	7.04	2.88	0.67	3.68
R/L	8.02	3.76	7.42	7.57	6.73	21.26
Total	13.16%	7.88%	17.51%	15.05%	9.40%	36.99%

Scenarios - Cost Summary

Interest: 3.00% Inflation: 3.00% Printed: 03/11/2016

Scenario: 2015 Maintaining PCI ($3.9M, 18.1% PM)

Year	PM	Budget	Rehabilitation		Preventative Maintenance	Surplus PM	Deferred		Stop Gap
2017	18%	$3,908,000	II $739,482	Non-Project	$558,324	$0	$21,404,153	Funded	$149,799
			III $0					Unmet	$0
			IV $2,460,270	Project	$0				
			V $0						
			Total $3,199,752						
			Project $0						
2018	18%	$3,908,000	II $1,700,036	Non-Project	$665,143	$0	$21,301,763	Funded	$43,356
			III $0					Unmet	$0
			IV $1,498,709	Project	$0				
			V $0						
			Total $3,198,745						
			Project $0						
2019	18%	$3,908,000	II $2,076,472	Non-Project	$631,401	$626	$24,962,808	Funded	$75,321
			III $0					Unmet	$0
			IV $1,123,519	Project	$0				
			V $0						
			Total $3,199,991						
			Project $0						
2020	18%	$3,908,000	II $3,159,818	Non-Project	$639,985	$1,335	$25,628,778	Funded	$66,028
			III $0					Unmet	$0
			IV $40,668	Project	$0				
			V $0						
			Total $3,200,486						
			Project $0						
2021	18%	$3,908,000	II $1,493,080	Non-Project	$619,154	$315	$30,653,840	Funded	$87,879
			III $0					Unmet	$0
			IV $1,705,406	Project	$0				
			V $0						
			Total $3,198,486						
			Project $0						

Summary

Functional Class	Rehabilitation	Prev. Maint.	Funded Stop Gap	Unmet Stop Gap
Arterial	$10,212,517	$999,149	$60,789	$0
Collector	$5,690,716	$304,571	$109,386	$0
Residential/Local	$94,227	$1,810,287	$252,208	$0
Grand Total:	$15,997,460	$3,114,007	$422,384	$0

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$3,908,000	18.1%	2019	$3,908,000	18.1%	2021	$3,908,000	18.1%
2018	$3,908,000	18.1%	2020	$3,908,000	18.1%			

Projected Network Average PCI by year

Year	Never Treated	With Selected Treatment	Treated Centerline Miles	Treated Lane Miles
2017	65	67	17.26	38.16
2018	63	68	15.81	38.71
2019	61	67	15.32	33.40
2020	58	67	23.38	52.81
2021	56	67	21.32	46.10

Percent Network Area by Functional Class and Condition Category

Condition in base year 2017, prior to applying treatments.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	13.5%	9.5%	27.2%	0.0%	50.2%
II / III	7.0%	6.8%	15.2%	0.0%	29.0%
IV	4.8%	3.3%	10.1%	0.0%	18.2%
V	0.1%	0.2%	2.3%	0.0%	2.7%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Condition in year 2017 after schedulable treatments applied.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	16.4%	10.0%	27.2%	0.0%	53.7%
II / III	6.5%	6.3%	15.1%	0.0%	28.0%
IV	2.3%	3.3%	10.1%	0.0%	15.7%
V	0.1%	0.2%	2.3%	0.0%	2.7%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Condition in year 2021 after schedulable treatments applied.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	21.7%	11.8%	24.2%	0.0%	57.8%
II / III	2.5%	2.3%	11.7%	0.0%	16.5%
IV	0.0%	3.3%	12.1%	0.0%	15.4%
V	1.1%	2.5%	6.6%	0.0%	10.3%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$3,908,000	18.1%	2019	$3,908,000	18.1%	2021	$3,908,000	18.1%
2018	$3,908,000	18.1%	2020	$3,908,000	18.1%			

Area of analyzed pavement sections for which maintenance and/or rehabilitation were deferred for each analysis year by functional classification in square yards.

Deferred Area by Functional Classification in Sq Yd					
Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	260,874	231,048	813,076	0	1,304,998
2018	146,852	232,124	756,167	0	1,135,143
2019	144,064	270,491	583,036	0	997,591
2020	61,705	179,264	449,495	0	690,464
2021	73,377	145,192	482,211	0	700,780

Percentage of analyzed pavement sections for which maintenance and/or rehabilitation were deferred for each analysis year by functional classification.

Deferred Area Percentage by Functional Classification					
Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	9.4%	8.4%	29.4%	0.0%	47.2%
2018	5.3%	8.4%	27.4%	0.0%	41.1%
2019	5.2%	9.8%	21.1%	0.0%	36.1%
2020	2.2%	6.5%	16.3%	0.0%	25.0%
2021	2.7%	5.3%	17.5%	0.0%	25.4%

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$3,908,000	18.1%	2019	$3,908,000	18.1%	2021	$3,908,000	18.1%
2018	$3,908,000	18.1%	2020	$3,908,000	18.1%			

Average remaining life of analyzed pavement sections, weighted for section area, for each analysis year by functional classificaiton in years.

	Weighted Average by Functional Classification in Years				
Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	18.98	12.66	19.54	.00	18.03
2018	20.64	13.55	19.14	.00	18.41
2019	21.32	14.92	18.92	.00	18.74
2020	21.55	17.24	18.63	.00	19.10
2021	22.66	17.69	18.62	.00	19.46

Area of analyzed pavement sections with remaining life by time categories, for each analysis year by functional classification in square yards.

2017

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		2,757	28,367	70,381	113,689	177,153	308,885
COL		25,280	65,560	85,940	242,470	45,218	84,640
R/L		111,430	91,076	150,469	224,106	174,525	761,640
	Total	139,468	185,003	306,790	580,264	396,895	1,155,166

2018

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		8,259	22,866	72,041	89,722	108,377	399,968
COL		47,587	51,106	80,006	219,028	23,491	127,890
R/L		138,936	82,782	163,611	236,635	161,029	730,254
	Total	194,781	156,754	315,658	545,385	292,897	1,258,112

2019

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	0	59,744	73,390	113,922	423,051
COL		68,757	63,005	41,364	168,123	24,484	183,376
R/L		183,521	59,042	157,145	242,867	190,745	679,926
	Total	283,402	122,047	258,253	484,380	329,151	1,286,354

2020

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	0	74,667	28,071	112,268	455,101
COL		90,840	63,942	31,737	70,440	25,678	266,471
R/L		202,506	82,573	182,131	217,661	159,370	669,004
	Total	324,471	146,516	288,536	316,172	297,316	1,390,576

2021

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	0	32,868	37,503	95,713	504,023
COL		98,693	56,089	31,737	38,539	22,529	301,521
R/L		221,717	103,785	204,983	209,130	103,984	669,647
	Total	351,535	159,874	269,588	285,171	222,226	1,475,191

Percent of area of analyzed pavement sections with remaining life by time categories, for each analysis year by functional clasification in square yards.

2017

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0.10	1.03	2.55	4.11	6.41	11.18
COL		0.91	2.37	3.11	8.77	1.64	3.06
R/L		4.03	3.30	5.44	8.11	6.32	27.56
	Total	5.05%	6.69%	11.10%	21.00%	14.36%	41.80%

2018

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0.30	0.83	2.61	3.25	3.92	14.47
COL		1.72	1.85	2.90	7.93	0.85	4.63
R/L		5.03	3.00	5.92	8.56	5.83	26.42
	Total	7.05%	5.67%	11.42%	19.73%	10.60%	45.52%

2019

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		1.13	0.00	2.16	2.66	4.12	15.31
COL		2.49	2.28	1.50	6.08	0.89	6.64
R/L		6.64	2.14	5.69	8.79	6.90	24.60
	Total	10.25%	4.42%	9.34%	17.53%	11.91%	46.55%

2020

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		1.13	0.00	2.70	1.02	4.06	16.47
COL		3.29	2.31	1.15	2.55	0.93	9.64
R/L		7.33	2.99	6.59	7.88	5.77	24.21

	Total	11.74%	5.30%	10.44%	11.44%	10.76%	50.32%

2021

Functional Class	0-2	2-5	5-10	10-15	15-20	>20
ART	1.13	0.00	1.19	1.36	3.46	18.24
COL	3.57	2.03	1.15	1.39	0.82	10.91
R/L	8.02	3.76	7.42	7.57	3.76	24.23
Total	12.72%	5.79%	9.76%	10.32%	8.04%	53.38%

Scenarios - Cost Summary

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Increasing PCI ($6M, 12% PM)

Year	PM	Budget	Rehabilitation		Preventative Maintenance	Surplus PM	Deferred		Stop Gap
2017	12%	$6,000,000	II $1,712,084	Non-Project	$583,859	$0	$19,301,797	Funded	$139,386
			III $0					Unmet	$0
			IV $3,564,495	Project	$0				
			V $0						
			Total $5,276,579						
			Project $0						
2018	12%	$6,000,000	II $3,979,134	Non-Project	$690,453	$0	$17,525,591	Funded	$32,473
			III $0					Unmet	$0
			IV $1,297,907	Project	$0				
			V $0						
			Total $5,277,041						
			Project $0						
2019	12%	$6,000,000	II $3,482,241	Non-Project	$664,737	$0	$18,963,377	Funded	$58,644
			III $1,031,582					Unmet	$0
			IV $762,822	Project	$0				
			V $0						
			Total $5,276,645						
			Project $0						
2020	12%	$6,000,000	II $862,972	Non-Project	$613,495	$47,680	$17,581,225	Funded	$58,825
			III $143,395					Unmet	$0
			IV $4,272,528	Project	$0				
			V $0						
			Total $5,278,895						
			Project $0						
2021	12%	$6,000,000	II $25,364	Non-Project	$631,066	$1,951	$22,925,613	Funded	$86,983
			III $625,554					Unmet	$0
			IV $4,628,143	Project	$0				
			V $0						
			Total $5,279,061						
			Project $0						

Summary

Functional Class	Rehabilitation	Prev. Maint.	Funded Stop Gap	Unmet Stop Gap
Arterial	$11,847,269	$994,833	$38,385	$0
Collector	$8,640,963	$342,763	$86,136	$0
Residential/Local	$5,899,989	$1,846,014	$251,789	$0
Grand Total:	$26,388,221	$3,183,610	$376,310	$0

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$6,000,000	12%	2019	$6,000,000	12%	2021	$6,000,000	12%
2018	$6,000,000	12%	2020	$6,000,000	12%			

Projected Network Average PCI by year

Year	Never Treated	With Selected Treatment	Treated Centerline Miles	Treated Lane Miles
2017	65	68	19.69	43.72
2018	63	69	19.37	47.22
2019	61	70	19.29	41.94
2020	58	71	28.20	61.61
2021	56	72	28.14	59.88

Percent Network Area by Functional Class and Condition Category

Condition in base year 2017, prior to applying treatments.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	13.5%	9.5%	27.2%	0.0%	50.2%
II / III	7.0%	6.8%	15.2%	0.0%	29.0%
IV	4.8%	3.3%	10.1%	0.0%	18.2%
V	0.1%	0.2%	2.3%	0.0%	2.7%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Condition in year 2017 after schedulable treatments applied.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	18.6%	10.1%	27.2%	0.0%	56.0%
II / III	5.4%	6.2%	15.1%	0.0%	26.8%
IV	1.2%	3.3%	10.1%	0.0%	14.6%
V	0.1%	0.2%	2.3%	0.0%	2.7%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Condition in year 2021 after schedulable treatments applied.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	23.6%	15.0%	30.8%	0.0%	69.4%
II / III	0.6%	1.4%	10.1%	0.0%	12.2%
IV	0.0%	0.9%	7.2%	0.0%	8.1%
V	1.1%	2.5%	6.6%	0.0%	10.3%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$6,000,000	12%	2019	$6,000,000	12%	2021	$6,000,000	12%
2018	$6,000,000	12%	2020	$6,000,000	12%			

Area of analyzed pavement sections for which maintenance and/or rehabilitation were deferred for each analysis year by functional classification in square yards.

	Deferred Area by Functional Classification in Sq Yd				
Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	200,194	228,266	800,799	0	1,229,259
2018	83,571	165,146	730,173	0	978,890
2019	53,804	169,443	519,399	0	742,646
2020	8,257	67,688	333,412	0	409,357
2021	98,091	94,523	332,659	0	525,273

Percentage of analyzed pavement sections for which maintenance and/or rehabilitation were deferred for each analysis year by functional classification.

	Deferred Area Percentage by Functional Classification				
Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	7.2%	8.3%	29.0%	0.0%	44.5%
2018	3.0%	6.0%	26.4%	0.0%	35.4%
2019	1.9%	6.1%	18.8%	0.0%	26.9%
2020	0.3%	2.4%	12.1%	0.0%	14.8%
2021	3.5%	3.4%	12.0%	0.0%	19.0%

Scenarios - Network Remaining Life Summary

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Increasing PCI ($6M, 12% PM)

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$6,000,000	12%	2019	$6,000,000	12%	2021	$6,000,000	12%
2018	$6,000,000	12%	2020	$6,000,000	12%			

Average remaining life of analyzed pavement sections, weighted for section area, for each analysis year by functional classificaiton in years.

	Weighted Average by Functional Classification in Years				
Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	20.72	12.76	19.60	.00	18.53
2018	22.60	15.86	19.23	.00	19.42
2019	23.46	18.38	19.18	.00	20.10
2020	22.87	21.32	20.22	.00	21.11
2021	23.64	21.07	21.83	.00	22.14

Area of analyzed pavement sections with remaining life by time categories, for each analysis year by functional classification in square yards.

2017

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		2,757	28,367	39,919	83,468	177,153	369,568
COL		25,280	65,560	84,380	241,248	45,218	87,422
R/L		111,430	91,076	150,469	224,106	175,464	760,702
	Total	139,468	185,003	274,769	548,821	397,834	1,217,692

2018

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		8,259	22,866	46,957	37,544	106,406	479,201
COL		47,587	51,106	74,433	157,621	23,491	194,871
R/L		138,936	82,782	163,611	236,635	162,479	728,803
	Total	194,781	156,754	285,001	431,799	292,376	1,402,875

2019

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	0	59,744	0	81,098	529,265
COL		68,757	47,301	41,364	85,823	22,000	283,864
R/L		183,521	59,042	157,145	242,867	176,349	694,323
	Total	283,402	106,343	258,253	328,690	279,447	1,507,452

2020

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	0	58,717	0	86,889	524,500
COL		90,840	3,227	26,899	26,215	35,348	366,579
R/L		202,506	82,573	121,607	217,661	113,524	775,374
	Total	324,471	85,800	207,224	243,876	235,762	1,666,454

2021

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	0	16,918	0	95,713	557,476
COL		94,067	0	13,505	39,034	22,529	379,973
R/L		221,717	89,830	82,329	193,668	69,762	855,939
	Total	346,909	89,830	112,752	232,702	188,004	1,793,389

Percent of area of analyzed pavement sections with remaining life by time categories, for each analysis year by functional clasification in square yards.

2017

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0.10	1.03	1.44	3.02	6.41	13.37
COL		0.91	2.37	3.05	8.73	1.64	3.16
R/L		4.03	3.30	5.44	8.11	6.35	27.53
	Total	5.05%	6.69%	9.94%	19.86%	14.40%	44.06%

2018

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0.30	0.83	1.70	1.36	3.85	17.34
COL		1.72	1.85	2.69	5.70	0.85	7.05
R/L		5.03	3.00	5.92	8.56	5.88	26.37
	Total	7.05%	5.67%	10.31%	15.62%	10.58%	50.76%

2019

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		1.13	0.00	2.16	0.00	2.93	19.15
COL		2.49	1.71	1.50	3.11	0.80	10.27
R/L		6.64	2.14	5.69	8.79	6.38	25.12
	Total	10.25%	3.85%	9.34%	11.89%	10.11%	54.55%

2020

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		1.13	0.00	2.12	0.00	3.14	18.98
COL		3.29	0.12	0.97	0.95	1.28	13.26
R/L		7.33	2.99	4.40	7.88	4.11	28.06
	Total	11.74%	3.10%	7.50%	8.82%	8.53%	60.30%

2021

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		1.13	0.00	0.61	0.00	3.46	20.17
COL		3.40	0.00	0.49	1.41	0.82	13.75
R/L		8.02	3.25	2.98	7.01	2.52	30.97
	Total	12.55%	3.25%	4.08%	8.42%	6.80%	64.89%

Appendix D: Recommended Budget Scenario

Scenarios - Cost Summary

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year	PM	Budget	Rehabilitation		Preventative Maintenance	Surplus PM	Deferred		Stop Gap
2017	17%	$5,400,000	II $1,521,720	Non-Project	$749,294	$0	$19,905,731	Funded	$143,374
			III $0					Unmet	$0
			IV $2,985,493	Project	$0				
			V $0						
			Total $4,507,213						
			Project $0						
2018	17%	$5,400,000	II $2,613,720	Non-Project	$853,241	$0	$18,753,921	Funded	$38,189
			III $0					Unmet	$0
			IV $1,894,279	Project	$0				
			V $0						
			Total $4,507,999						
			Project $0						
2019	17%	$5,400,000	II $4,346,047	Non-Project	$833,059	$0	$20,831,950	Funded	$61,936
			III $0					Unmet	$0
			IV $158,873	Project	$0				
			V $0						
			Total $4,504,920						
			Project $0						
2020	4%	$5,400,000	II $963,762	Non-Project	$157,318	$0	$19,288,772	Funded	$58,825
			III $1,062,529					Unmet	$0
			IV $3,156,272	Project	$0				
			V $0						
			Total $5,182,563						
			Project $0						
2021	17%	$5,400,000	II $14,026	Non-Project	$802,881	$1,136	$24,801,023	Funded	$86,983
			III $522,193					Unmet	$0
			IV $3,972,635	Project	$0				
			V $0						
			Total $4,508,854						
			Project $0						

Summary

Functional Class	Rehabilitation	Prev. Maint.	Funded Stop Gap	Unmet Stop Gap
Arterial	$11,932,336	$1,100,601	$46,595	$0
Collector	$7,843,754	$406,724	$91,083	$0
Residential/Local	$3,435,459	$1,888,468	$251,630	$0
Grand Total:	$23,211,549	$3,395,793	$389,307	$0

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$5,400,000	16.5%	2019	$5,400,000	16.5%	2021	$5,400,000	16.5%
2018	$5,400,000	16.5%	2020	$5,400,000	4%			

Projected Network Average PCI by year

Year	Never Treated	With Selected Treatment	Treated Centerline Miles	Treated Lane Miles
2017	65	68	21.16	48.68
2018	63	69	22.93	51.91
2019	61	70	19.29	43.52
2020	58	70	20.69	45.27
2021	56	70	32.14	68.96

Percent Network Area by Functional Class and Condition Category

Condition in base year 2017, prior to applying treatments.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	13.5%	9.5%	27.2%	0.0%	50.2%
II / III	7.0%	6.8%	15.2%	0.0%	29.0%
IV	4.8%	3.3%	10.1%	0.0%	18.2%
V	0.1%	0.2%	2.3%	0.0%	2.7%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Condition in year 2017 after schedulable treatments applied.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	17.9%	10.0%	27.3%	0.0%	55.2%
II / III	5.6%	6.3%	15.1%	0.0%	27.0%
IV	1.8%	3.3%	10.1%	0.0%	15.2%
V	0.1%	0.2%	2.3%	0.0%	2.7%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Condition in year 2021 after schedulable treatments applied.

Condition	Arterial	Collector	Res/Loc	Other	Total
I	23.6%	14.9%	28.3%	0.0%	66.8%
II / III	0.6%	1.4%	10.5%	0.0%	12.5%
IV	0.0%	1.1%	9.3%	0.0%	10.4%
V	1.1%	2.5%	6.6%	0.0%	10.3%
Total	25.4%	19.9%	54.8%	0.0%	100.0%

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$5,400,000	16.5%	2019	$5,400,000	16.5%	2021	$5,400,000	16.5%
2018	$5,400,000	16.5%	2020	$5,400,000	4%			

Area of analyzed pavement sections for which maintenance and/or rehabilitation were deferred for each analysis year by functional classification in square yards.

Deferred Area by Functional Classification in Sq Yd

Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	184,177	225,416	776,247	0	1,185,840
2018	101,876	202,434	583,816	0	888,126
2019	47,252	126,011	455,609	0	628,872
2020	8,257	70,715	379,768	0	458,740
2021	40,949	94,768	387,549	0	523,266

Percentage of analyzed pavement sections for which maintenance and/or rehabilitation were deferred for each analysis year by functional classification.

Deferred Area Percentage by Functional Classification

Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	6.7%	8.2%	28.1%	0.0%	42.9%
2018	3.7%	7.3%	21.1%	0.0%	32.1%
2019	1.7%	4.6%	16.5%	0.0%	22.8%
2020	0.3%	2.6%	13.7%	0.0%	16.6%
2021	1.5%	3.4%	14.0%	0.0%	18.9%

Scenarios - Network Remaining Life Summary

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$5,400,000	16.5%	2019	$5,400,000	16.5%	2021	$5,400,000	16.5%
2018	$5,400,000	16.5%	2020	$5,400,000	4%			

Average remaining life of analyzed pavement sections, weighted for section area, for each analysis year by functional classificaiton in years.

	Weighted Average by Functional Classification in Years				
Analyzed Year	Arterial	Collector	Res/Loc	Other	Total
2017	20.31	12.73	19.71	.00	18.48
2018	22.22	14.50	19.74	.00	19.33
2019	22.79	18.07	19.31	.00	19.95
2020	22.91	20.42	19.26	.00	20.42
2021	23.83	20.13	20.70	.00	21.38

Area of analyzed pavement sections with remaining life by time categories, for each analysis year by functional classification in square yards.

2017

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		2,757	28,367	55,892	88,019	177,153	349,044
COL		25,280	65,560	85,940	242,470	45,218	84,640
R/L		111,430	91,076	150,469	224,106	175,464	760,702
	Total	139,468	185,003	292,301	554,594	397,834	1,194,386

2018

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		8,259	22,866	46,957	55,849	106,406	460,895
COL		47,587	51,106	74,433	199,603	23,491	152,888
R/L		138,936	82,782	163,611	236,635	161,405	729,878
	Total	194,781	156,754	285,001	492,088	291,301	1,343,661

2019

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	0	59,744	20,626	104,970	484,768
COL		68,757	63,005	41,364	46,230	57,850	271,903
R/L		183,521	59,042	157,145	242,867	189,337	681,334
	Total	283,402	122,047	258,253	309,723	352,157	1,438,005

2020

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	0	58,717	0	86,889	524,500
COL		90,840	7,853	26,899	52,705	35,348	335,462
R/L		202,506	82,573	163,304	217,661	118,190	729,011
	Total	324,471	90,427	248,920	270,367	240,428	1,588,974

2021

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		31,125	0	16,918	0	95,713	557,476
COL		98,693	0	13,505	59,400	28,654	348,856
R/L		221,717	89,830	141,090	198,335	74,242	788,033
	Total	351,535	89,830	171,512	257,735	198,609	1,694,365

Percent of area of analyzed pavement sections with remaining life by time categories, for each analysis year by functional clasification in square yards.

2017

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0.10	1.03	2.02	3.18	6.41	12.63
COL		0.91	2.37	3.11	8.77	1.64	3.06
R/L		4.03	3.30	5.44	8.11	6.35	27.53
	Total	5.05%	6.69%	10.58%	20.07%	14.40%	43.22%

2018

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		0.30	0.83	1.70	2.02	3.85	16.68
COL		1.72	1.85	2.69	7.22	0.85	5.53
R/L		5.03	3.00	5.92	8.56	5.84	26.41
	Total	7.05%	5.67%	10.31%	17.81%	10.54%	48.62%

2019

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		1.13	0.00	2.16	0.75	3.80	17.54
COL		2.49	2.28	1.50	1.67	2.09	9.84
R/L		6.64	2.14	5.69	8.79	6.85	24.65
	Total	10.25%	4.42%	9.34%	11.21%	12.74%	52.03%

2020

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		1.13	0.00	2.12	0.00	3.14	18.98
COL		3.29	0.28	0.97	1.91	1.28	12.14
R/L		7.33	2.99	5.91	7.88	4.28	26.38

	Total	11.74%	3.27%	9.01%	9.78%	8.70%	57.50%

2021

Functional Class		0-2	2-5	5-10	10-15	15-20	>20
ART		1.13	0.00	0.61	0.00	3.46	20.17
COL		3.57	0.00	0.49	2.15	1.04	12.62
R/L		8.02	3.25	5.11	7.18	2.69	28.51
	Total	12.72%	3.25%	6.21%	9.33%	7.19%	61.31%

Appendix E: Section PCI/RSL Listing

Section PCI/RSL Listing

Printed: 03/01/2016

Street ID	Section ID	Street Name	From	To	Length	Width	Area	Functional Class	Surface Type	Current PCI	Remaining Life
ACACIA	1010	ACACIA WY	PEPPERTREE DR	ASPEN WY	422	40	16,896	R - Residential/Local	A - AC	60	14.51
ADAIRC	1010	ADAIR CT	CHRISTEPH DR	CUL-DE-SAC	178	33	5,874	R - Residential/Local	A - AC	77	27.67
ADAMSC	1010	ADAMS CT	COCHRANE RD	END	675	40	27,000	R - Residential/Local	A - AC	75	22.94
ALAMOD	1010A	ALAMO DR	LA ROCCA DR	LA ALAMEDA DR	750	40	30,000	R - Residential/Local	A - AC	43	6.94
ALAMOD	1010B	ALAMO DR	LA ALAMEDA DR	CUL-DE-SAC	550	40	22,000	R - Residential/Local	A - AC	39	5.09
ALCALA	1010	ALCALA CT	MISSION AVE	CUL-DE-SAC	444	37	16,428	R - Residential/Local	A - AC	81	26.75
ALKIRE	1010	ALKIRE AV	JOHN TELFER DR	DEWITT AV	898	40	35,904	R - Residential/Local	A - AC	64	17.88
ALKIRE	1020	ALKIRE AV	DEWITT AV	PEAK AV	792	40	31,680	R - Residential/Local	A - AC	64	17.88
ALMORC	1010	ALMOND ORCHARD DR	OLIVE BRANCH DR	SEBINI CT	370	28	10,360	R - Residential/Local	A - AC	32	2.54
ALMOND	1010	ALMOND WY	BLUEBONNET WY	BIRCH WY	845	40	33,792	R - Residential/Local	A - AC	62	16.77
ALMOND	1040	ALMOND WY	BIRCH WY	BLUEBONNET WY	1,050	40	42,000	R - Residential/Local	A - AC	69	19.18
ANGELI	1010	ANGELICA WY	W/O TAYLOR	CUL DE SAC	565	36	21,741	R - Residential/Local	A - AC	80	26.13
APPIAN	1010	APPIAN WY	VIA EDUARDO	VIA VENETO	739	32	23,654	R - Residential/Local	A - AC	72	21.04
APPIAN	1020	APPIAN WY	VIA VENETO	SUNNYSIDE AV	634	32	20,275	R - Residential/Local	A - AC	72	21.04
ARABIA	1010	ARABIAN CT	END	FOUNTAIN OAKS DR	211	40	8,448	R - Residential/Local	A - AC	58	14.1
ARCHFI	1010	ARCHFIELD CT	JASMINE WY	END	211	40	8,448	R - Residential/Local	A - AC	89	31.59
ASCOTC	1010	ASCOT CT	END	HEATHERWOOD WY	106	53	5,597	R - Residential/Local	A - AC	81	26.75
ASHCRT	1010	ASH CT	ALMOND WY	END	158	40	6,336	R - Residential/Local	A - AC	56	12.35
ASPENW	1010	ASPEN WY	PINE WY	BLUEBONNET WY	1,215	40	48,576	R - Residential/Local	A - AC	66	19.47
AVANTE	1010	AVANTE PL	BELLETO DR	CUL-DE-SAC	191	33	6,303	R - Residential/Local	A - AC	81	26.75
AVDELO	1010	AVENIDA DE LOS PADRES	MISSION VIEW DR	CAPISTRANO WAY	752	33	24,816	R - Residential/Local	A - AC	81	26.75
AVDELO	1020	AVENIDA DE LOS PADRES	E/O CAPISTRANO WY	E/O SERRA AVENIDA	618	36	22,248	R - Residential/Local	A - AC	74	24.06
BADGER	1010	BADGER PASS RD	WEST MIDDLE AV	END	792	31	24,552	R - Residential/Local	A - AC	55	11.83
BARCEL	1010	BARCELONA CT	VIA DEL CASTILLE	END	317	40	12,672	R - Residential/Local	A - AC	43	6.55
BARNEL	1010	BARNELL AV	SPRING AV	WEST DUNNE AV	1,373	40	54,912	R - Residential/Local	O - AC/AC	87	33.95
BARRET	1010	BARRETT AV	MONTEREY ST	CHURCH ST	634	36	22,810	C - Collector	A - AC	79	15.08
BARRET	1030	BARRETT AV	SAN RAMON DR	300 FT E. OF RAILROAD AVE	1,630	34	55,420	R - Residential/Local	A - AC	75	22.94

Section PCI/RSL Listing

Printed: 03/01/2016

Street ID	Section ID	Street Name	From	To	Length	Width	Area	Functional Class	Surface Type	Current PCI	Remaining Life
BARRET	1035	BARRETT AV	300 FT. E. OF RAILROAD AVE	RAILROAD AVE	300	34	10,200	R - Residential/Local	O - AC/AC	66	18.64
BARRET	1040	BARRETT AV	100 FT. W. OF SORREL DR	TRAIL DR	576	37	21,312	R - Residential/Local	A - AC	80	26.13
BARRET	2010	BARRETT AV	JUAN HERNANDEZ DR	SAN RAMON DR	540	42	22,680	R - Residential/Local	A - AC	78	24.86
BASIAV	1010	BASIL AV	DOUGHERTY AV	CAYENNE DR	263	34	8,942	R - Residential/Local	A - AC	80	28.85
BASICT	1010	BASIL CT	DOUGHERTY AVE	CUL-DE-SAC	528	34	17,952	R - Residential/Local	A - AC	71	20.05
BELACT	1010	BEL AIR CT	MONTOYA CR	END	211	40	8,448	R - Residential/Local	A - AC	79	25.5
BELAWY	1010	BEL AIR WY	PAVE CHANGE (165' W/ GRAND PRIX WY)	MONTOYA CR	633	40	25,344	R - Residential/Local	A - AC	63	17.23
BELLET	1010	BELLETO DR	BENTLEY DR	E. MAIN AVE	342	37	12,654	R - Residential/Local	A - AC	81	31.63
BELLET	1020	BELLETO DR	E. MAIN AVE	CUL-DE-SAC SOUTH	1,480	37	54,760	R - Residential/Local	A - AC	73	23.18
BELLWY	1010	BELLINI WY	LA ROCCA CT	EXCALIBER DR	975	34	33,150	R - Residential/Local	A - AC	82	31.43
BELLWY	1020	BELLINI WY	EXCALIBER DR	CUL-DE-SAC	240	34	9,781	R - Residential/Local	A - AC	81	29.27
BENTLE	1010	BENTLEY DR	LANCIA DR	CUL-DE-SAC N. OF CORNICHE DR	875	37	33,780	R - Residential/Local	A - AC	81	31.63
BERKCT	1010	BERKSHIRE CT	END	BERKSHIRE WY	158	40	6,336	R - Residential/Local	A - AC	79	25.5
BERKSH	1010	BERKSHIRE DR	DEL MONTE AV	OLD MONTEREY RD	845	40	33,792	R - Residential/Local	A - AC	74	22.31
BERKSH	1020	BERKSHIRE DR	DEL MONTE AV	END (CUL-DE-SAC)	806	40	32,240	R - Residential/Local	A - AC	77	24.22
BERRYC	1010	BERRY CT	CREST AV	END	317	40	12,672	R - Residential/Local	A - AC	21	0
BIRCHW	1010	BIRCH WY	BLUEBONNET WY	ALMOND WY	686	40	27,456	R - Residential/Local	A - AC	48	8.95
BISCAY	1010	BISCAYNE CT	GRAND PRIX WY	END	211	40	8,448	R - Residential/Local	A - AC	53	11.18
BISCEG	1010	BISCEGLIA AV	MONTEREY ST	CHURCH ST	422	36	15,206	R - Residential/Local	A - AC	65	18.66
BLAOAK	1010	BLACK OAK CT	END	ROCKY RIDGE RD	422	24	10,138	R - Residential/Local	A - AC	19	0
BLACPR	1010	BLACK PRINCE CT	NATIVE DANCER DR	END	528	32	16,896	R - Residential/Local	A - AC	54	11.31
BLACWC	1010	BLACK WALNUT CT	WALNUT GROVE DR	END	264	28	7,392	R - Residential/Local	A - AC	61	15.68
BLACWW	1010	BLACK WALNUT WY	SERENE DR	WALNUT GROVE DR	264	40	10,560	R - Residential/Local	A - AC	80	26.13
BLUELY	1020	BLUE LYNX CT	EAGLE VIEW	CUL-DE-SAC	524	34	17,816	R - Residential/Local	A - AC	81	30.1
BLUEBO	1010	BLUEBONNET WY	JASMINE WY	ALMOND WY	1,003	40	40,128	R - Residential/Local	A - AC	69	19.18
BLUEBO	1020	BLUEBONNET WY	ALMOND WY	ALMOND WY	792	40	31,680	R - Residential/Local	A - AC	48	8.84
BONITA	1010	BONITA DR	PALOMA DR	END	440	33	14,520	R - Residential/Local	A - AC	81	26.75

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BONNIE	1010	BONNIE VIEW CT	DEWITT AV	DEWITT AV	1,580	14	22,120	R - Residential/Local	A - AC	69	19.18
BRADFO	1010	BRADFORD WY	JASMINE WY	RINGEL DR	1,299	40	51,960	R - Residential/Local	A - AC	88	31.35
BRADFO	1020	BRADFORD WY	DIANA AV	JASMINE WY	855	40	34,200	R - Residential/Local	A - AC	89	31.59
BRIXWY	1010	BRIX WY	N/O DOMAINE DR	S/O E. DUNNE AVE	155	37	5,735	R - Residential/Local	A - AC	77	26.74
BROOKV	1010	BROOKVIEW CT	END	EASY ST	253	40	10,120	R - Residential/Local	A - AC	51	10.03
BRYCED	1010	BRYCE DR	SUNSET AV	OLYMPIC DR	328	28	9,184	R - Residential/Local	A - AC	63	16.11
BUCKSK	1010	BUCKSKIN CT	END	FOUNTAIN OAKS DR	370	40	14,784	R - Residential/Local	A - AC	61	15.07
BUGATT	1010	BUGATTI PL	BELLETO DR	CUL-DE-SAC	155	33	5,115	R - Residential/Local	A - AC	79	30.24
BURNET	1010	BURNETT AV	MONTEREY ST	CITY LIMITS	1,795	36	64,620	C - Collector	A - AC	72	12.29
BUTTER	1010	BUTTERFIELD BLVD.	COCHRANE RD	EAST MAIN	6,148	58	356,584	A - Arterial	A - AC	84	21.03
BUTTER	1020	BUTTERFIELD BLVD.	E. MAIN AVE	E. DUNNE AVE	2,701	58	156,658	A - Arterial	O - AC/AC	84	25.04
BUTTER	1030	BUTTERFIELD BLVD.	E. DUUNE AVE	SAN PEDRO AVE	1,611	55	88,605	A - Arterial	A - AC	84	21.03
CABECR	1010	CABERNET CIRCLE	DOMAINE DR	CABEINET CT	960	34	32,640	R - Residential/Local	A - AC	80	28.69
CABERN	1010	CABERNET CT	N/O DOMAINE DR	CUL DE SAC	290	31	11,440	R - Residential/Local	A - AC	70	19.78
CALERO	1010	CALERO CT	CIMARRON DR	END	158	40	6,336	R - Residential/Local	A - AC	35	3.34
CALICO	1010	CALICO CT	SORRELL DR	CUL-DE-SAC	218	33	7,194	R - Residential/Local	A - AC	81	31.63
CALLAS	1010	CALLE ASTA	CALLE DEL SOL	CALLE MAZATAN	431	36	15,516	R - Residential/Local	A - AC	30	1.75
CALLAS	1020	CALLE ASTA	CALLE MAZATAN	BEL AIR WAY	534	36	19,224	R - Residential/Local	A - AC	80	26.13
CALLAT	1010	CALLE ATAVIO	PVT CHG	CALLE MAZATAN	233	36	8,388	R - Residential/Local	A - AC	30	1.75
CALLAT	1020	CALLE ATAVIO	PVT CHG	CALLE DEL SOL	231	36	8,316	R - Residential/Local	A - AC	80	26.13
CABUVI	1010	CALLE BUENA VISTA	CALLE TIERRA	CALLE HERMOSA	990	34	33,660	R - Residential/Local	A - AC	78	26.08
CALLCB	1010	CALLE CABALLERIA	PVMT CHANGE	CALLE MAZATAN	225	40	9,000	R - Residential/Local	A - AC	28	1.05
CALLCZ	1010	CALLE CABEZAL	PVT CHG	CALLE MAZATAN	291	36	10,476	R - Residential/Local	A - AC	28	0.98
CALLCZ	1020	CALLE CABEZAL	PVT CHG	END	373	36	13,428	R - Residential/Local	A - AC	81	26.75
CALLEC	1020	CALLE CENTRAL	E. CENTRAL AV	CALLE TIERA	784	37	29,008	R - Residential/Local	A - AC	76	26.47
CALLEC	1030	CALLE CENTRAL	CALLE TIERA	END (NE, CITY LIMIT)	1,615	37	59,755	R - Residential/Local	A - AC	68	19.38
CALLEO	1010	CALLE CERRO	CALLE MAZATAN	END	809	33	26,697	R - Residential/Local	A - AC	79	30.24
DELSOL	1010	CALLE DEL SOL WY	CALLE CABEZAL	CUL-DE-SAC	1,065	36	39,817	R - Residential/Local	A - AC	79	30.24
CALLEE	1010	CALLE ENRIQUE	WATSONVILLE RD	LA PAZ CT	845	40	33,792	R - Residential/Local	A - AC	45	7.41
CALLEE	1020	CALLE ENRIQUE	LA PAZ CT	LA CROSSE DR	950	40	38,016	R - Residential/Local	A - AC	42	5.97

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CALLEF	1010	CALLE FLORENCIA	CUL-DE-SAC OFF GRAND PRIX	CUL-DE-SAC WEST	657	33	21,681	R - Residential/Local	A - AC	82	33.08
CALHER	1010	CALLE HERMOSA	CALLE BUENA VISTA (E)	CALLE BUENA VISTA (W)	1,173	32	37,536	R - Residential/Local	A - AC	66	15.86
CALHER	1020	CALLE HERMOSA	E. CENTRAL AVE	CALLE BUENA VISTA	720	33	23,760	R - Residential/Local	A - AC	76	26.47
CALLEM	1010	CALLE MAZATAN	DIANA AV	CORTE CABANIL	845	40	33,800	R - Residential/Local	A - AC	61	15.78
CALLEM	1020	CALLE MAZATAN	CORTE CABANIL	EAST MAIN AV	1,162	40	46,464	R - Residential/Local	A - AC	56	13.11
CALLEM	1030	CALLE MAZATAN	CENTRAL AVE	E. MAIN AVE	944	37	34,928	R - Residential/Local	A - AC	85	29.06
CALLES	1010	CALLE SIENNA	365 FT E/O GRAND PRIX	CUL-DE-SAC WEST	615	33	21,988	R - Residential/Local	A - AC	82	33.08
CALSUE	1010	CALLE SUENO	N/O WATSONVILLE RD	N/O VIA NARRETTO	446	29	12,934	R - Residential/Local	A - AC	79	28.89
CALTIE	1020	CALLE TIERRA	CALLE CENTRAL	CUL-DE-SAC	681	34	23,154	R - Residential/Local	A - AC	79	27.41
CALLEV	1010	CALLE VERDE	CALLE MAZATAN	CALLE CERRO	358	33	11,814	R - Residential/Local	A - AC	89	31.59
CALVIE	1010	CALLE VIENTO	170' W/O CALLE TIERRA (PAVE CHANGE)	CALLE TIERRA	1,153	32	36,896	R - Residential/Local	A - AC	79	28.91
CANTCT	1010	CANTOR CT	END	CANTOR DR	158	34	5,386	R - Residential/Local	A - AC	81	26.75
CANTOR	1010	CANTOR DR	TRAIL DR	END	1,003	34	34,109	R - Residential/Local	A - AC	80	26.12
CAPIST	1010	CAPISTRANO WY	DE LOS PADRES	SANTA INES WAY	843	37	31,191	R - Residential/Local	A - AC	81	31.63
CAPRIC	1010	CAPRICE CT	END	GRAND PRIX WY	211	40	8,448	R - Residential/Local	A - AC	66	19.47
CAPUTO	1010	CAPUTO DR	TENNANT AV	BARRETT AV	1,637	50	81,840	R - Residential/Local	A - AC	46	8.08
CAMELO	1010	CARMELO CT	MISSION AVE	CUL-DE-SAC	369	33	12,177	R - Residential/Local	A - AC	81	31.63
CARRIA	1010	CARRIAGE DR	LLAGAS RD	SHADOWBROOK WY	792	36	28,512	R - Residential/Local	A - AC	39	4.83
CARRIA	1020	CARRIAGE DR	LLAGAS RD	CUL-DE-SAC	686	34	23,324	R - Residential/Local	A - AC	80	28.6
CASAGR	1010	CASA GRANDE CT	TRAIL DR	END	686	32	21,965	R - Residential/Local	A - AC	80	26.13
CASALN	1010	CASA LN	EAST MAIN AV	COUNTY MARKER	317	32	10,138	A - Arterial	A - AC	27	0.59
CASCAD	1010	CASCADE CT	OLYMPIC DR	CUL-DE-SAC	510	33	16,830	R - Residential/Local	A - AC	82	33.08
CASINO	1010	CASINO REAL	END	SUNNYSIDE AV	1,056	32	33,792	R - Residential/Local	A - AC	75	22.94
CASTLH	1010	CASTLE HILL DR	LLAGAS RD	CRYSTAL DR	634	23	14,573	R - Residential/Local	A - AC	46	7.92
CASTLH	1020	CASTLE HILL DR	CRYSTAL DR	SCOTT DR	686	23	15,787	R - Residential/Local	A - AC	55	12.38
CASTLH	1030	CASTLE HILL DR	SCOTT DR	SCOTT DR	2,904	13	37,752	R - Residential/Local	A - AC	60	14.98
CASTLC	1010	CASTLE LAKE CR	CASTLE LAKE DR	CASTLE LAKE DR	475	24	11,405	R - Residential/Local	A - AC	54	12.21

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CASTLL	1010	CASTLE LAKE DR	LLAGAS RD	CASTLE LAKE CR	422	24	10,138	R - Residential/Local	A - AC	62	16.77
CASTLL	1020	CASTLE LAKE DR	CASTLE LAKE CR	END	1,003	24	24,077	R - Residential/Local	A - AC	64	18.23
CASTLR	1010	CASTLE RIDGE DR	END	LLAGAS RD	898	18	16,157	R - Residential/Local	A - AC	61	16.07
CAYEDR	1010	CAYENNE DR	BASIL AV	CUL-DE-SAC	258	34	8,772	R - Residential/Local	A - AC	62	13.61
CENTRA	1005	CENTRAL AV	MONTEREY RD	DEAD END	485	26	14,807	R - Residential/Local	A - AC	74	22.31
CENTRA	1015	CENTRAL AV	DEL MONTE AV	MONTEREY RD	630	40	25,200	R - Residential/Local	A - AC	47	8.38
CERRVC	1010	CERRO VISTA CT	CERRO VISTA DR	END	211	28	5,914	R - Residential/Local	A - AC	66	17.37
CERRVD	1010	CERRO VISTA DR	TRAIL DR	VISTA DEL VALLE	739	28	20,698	R - Residential/Local	A - AC	72	21.04
CHARGI	1010	CHARGIN WY	WILLOW CREEK DR	LONE HILL DR	580	40	23,232	R - Residential/Local	A - AC	59	13.96
CHEYEN	1010	CHEYENNE CT	N/O MORNING STAR	CUL DE SAC	435	32	15,605	R - Residential/Local	A - AC	82	32.81
CHINOO	1010	CHINOOK CT	S/O EAGLE VIEW	CUL DE SAC	499	32	17,422	R - Residential/Local	A - AC	82	32.92
CHRIST	1010	CHRISTEPH DR	END W. OF LLAGAS VISTA	LLAGAS RD	1,368	37	50,616	R - Residential/Local	A - AC	71	22.34
CHRIST	1020	CHRISTEPH DR	LLAGAS RD	DEAD END	331	33	10,923	R - Residential/Local	A - AC	74	22.31
CHURCH	1010	CHURCH ST	TENNANT AV	EDMUNDSON AV	581	36	20,916	C - Collector	A - AC	77	14.59
CHURCH	1020	CHURCH ST	EDMUNDSON AV	BARRETT AV	1,056	40	39,706	C - Collector	A - AC	76	14.11
CHURCH	1030	CHURCH ST	BARRETT AV	MAST ST	898	32	31,046	C - Collector	A - AC	68	11.02
CHURCH	1040	CHURCH ST	MAST ST	SAN PEDRO AV	845	24	20,280	C - Collector	A - AC	75	13.65
CHURCH	1050A	CHURCH ST	SAN PEDRO AV	231 FT N/SAN PEDRO AV	231	40	9,240	C - Collector	A - AC	35	1.88
CHURCH	1050B	CHURCH ST	231 FT N/SAN PEDRO AV	BISCEGLIA AV	244	40	9,760	C - Collector	A - AC	81	16.08
CHURCH	1110	CHURCH ST	BISCEGLIA ST	EAST DUNNE AV	1,108	40	44,352	C - Collector	A - AC	67	10.62
CIMARC	1010	CIMARRON CT	CIMARRON DR	END	158	39	6,178	R - Residential/Local	A - AC	67	17.97
CIMARR	1010	CIMARRON DR	END	CALERO CT	686	40	27,456	R - Residential/Local	A - AC	65	16.79
CIMARR	1040	CIMARRON DR	CALERO CT	END	739	40	29,568	R - Residential/Local	A - AC	50	10
CIOLIN	1015	CIOLINO AV	DEL MONTE AV	450 FT E/O DEL MONTE AV	450	40	18,000	R - Residential/Local	A - AC	58	14.11
CIOLIN	1020	CIOLINO AV	450 FT E/O DEL MONTE AV	MONTEREY ST	447	40	17,880	R - Residential/Local	A - AC	79	25.5
CITATI	1010	CITATION CT	VENETIAN WY	END	370	32	11,827	R - Residential/Local	A - AC	61	15.06
CLAREC	1010	CLAREMONT CT	CLAREMONT DR	END	106	40	4,224	R - Residential/Local	A - AC	53	10.81

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CLAREM	1010	CLAREMONT DR	JOHN TELFER DR	DEWITT AV	1,214	40	48,576	R - Residential/Local	A - AC	34	3.2
CLAREM	1020	CLAREMONT DR	DEWITT AV	PEAK AV	1,162	40	46,464	R - Residential/Local	A - AC	36	4
CLARDR	1010	CLARET DR	E. DUNNE	DOMAINE CT	213	34	7,242	R - Residential/Local	A - AC	82	31.78
CLAYTO	1010	CLAYTON PL	N/O PEEBLES	CUL DE SAC	544	36	20,696	R - Residential/Local	A - AC	76	25.87
COCHRC	1010	COCHRANE CIR	COCHRANE RD	BEGIN CIRCLE	220	62	13,640	R - Residential/Local	A - AC	60	14.98
COCHRC	1020	COCHRANE CIR	BEGIN CIRCLE	WEST ENTRANCE	1,162	50	58,080	R - Residential/Local	A - AC	75	22.94
COCHRC	1030	COCHRANE CIR	WEST ENTRANCE	SOUTH ENTRANCE	845	50	42,240	R - Residential/Local	A - AC	74	22.31
COCHRC	1130	COCHRANE CIR	MONTEREY ST	BEGIN CIRCLE	370	40	14,784	R - Residential/Local	A - AC	76	23.58
COCHRA	1010	COCHRANE RD	MONTEREY ST	COCHRANE CIR	528	75	39,600	A - Arterial	O - AC/AC	70	15.71
COCHRA	1020	COCHRANE RD	COCHRANE CIR	ADAMS CT	1,109	80	88,720	A - Arterial	O - AC/AC	72	17.22
COCHRA	1030	COCHRANE RD	ADAMS CT	SUTTER BL	1,214	70	84,980	A - Arterial	O - AC/AC	76	19.7
COCHRA	1040	COCHRANE RD	SUTTER BL	HWY 101 ONRAMP	1,214	70	84,980	A - Arterial	O - AC/AC	70	15.71
COCHRA	1050	COCHRANE RD	HWY 101 ONRAMP	HWY 101 OFFRAMP	898	70	62,860	A - Arterial	O - AC/AC	76	19.7
COCHRA	1060	COCHRANE RD	HWY 101 OFFRAMP	DE PAUL DR	739	41	30,299	A - Arterial	A - AC	76	17.26
COCHRA	1070	COCHRANE RD	DE PAUL DR	MISSION VIEW DR	792	76	60,192	A - Arterial	A - AC	64	12.23
COCHRA	1080	COCHRANE RD	MISSION VIEW DR	PEET RD	1,360	27	36,720	A - Arterial	A - AC	69	14.46
COCHRA	1090	COCHRANE RD	ST MARKS AV	1378 E/O ST MARKS AV	1,378	30	41,340	A - Arterial	A - AC	80	22.9
COLLEE	1010	COLLEEN CT	END	CREST AV	211	40	8,448	R - Residential/Local	A - AC	63	17.13
CONCOR	1010	CONCORD CR	VINEYARD BL	VINEYARD BL	2,165	40	86,592	R - Residential/Local	A - AC	47	8.38
CONDIT	1005	CONDIT RD	TENNANT AV	WIDTH CHG (925 FT N/TENNANT)	925	31	28,675	C - Collector	O - AC/AC	89	31.59
CONDIT	1015	CONDIT RD	880' S/ BARRETT (WIDTH CHG)	60' N/ BARRETT AVE (PVMT CHG)	940	48	45,120	C - Collector	O - AC/AC	77	18.33
CONDIT	1020	CONDIT RD	60' N/ BARRETT AV (PVMT CHG)	N/O SAN PEDRO AV (WDTH CHG)	1,615	48	77,520	C - Collector	A - AC	77	14.59
CONDIT	1030	CONDIT RD	SAN PEDRO AV	564' S/O EAST DUNNE AV	1,177	37	43,549	C - Collector	O - AC/AC	59	11.52
CONDIT	1040	CONDIT RD	EAST DUNNE AV	COUNTY MARKER	1,004	32	30,307	C - Collector	A - AC	77	14.59
CONDIT	1050	CONDIT RD	565' S/O EAST DUNNE AV	EAST DUNNE AV	565	37	20,905	C - Collector	O - AC/AC	72	17.32
CORDOV	1010	CORDOVA CT	END	VIA DEL CASTILLE	317	40	12,672	R - Residential/Local	A - AC	41	5.68

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CORIAV	1005	CORIANDER AV	SAFFRON AV	DOUGHERTY AV	755	34	25,670	R - Residential/Local	A - AC	88	40.38
CORIAV	1015	CORIANDER AV	BASIL	DOUGHERTY AV	340	34	11,560	R - Residential/Local	A - AC	76	23.4
CORNIC	1010	CORNICHE DR	BENTLEY DR	SERENE DR	298	33	9,834	R - Residential/Local	A - AC	81	31.63
CORSAP	1010	CORSA PL	E/O BELLATO DR	CUL DE SAC	109	35	5,137	R - Residential/Local	A - AC	78	28.95
CORTEA	1010	CORTE ARQUETA	CALLE MAZATAN	END	211	40	8,448	R - Residential/Local	A - AC	32	2.17
CORTCN	1010	CORTE CABANIL	CALLE MAZATAN	END	475	40	19,008	R - Residential/Local	A - AC	52	10.6
CORTCB	1010	CORTE CABAS	CALLE MAZATAN	END	422	40	16,896	R - Residential/Local	A - AC	44	6.91
CORYDR	1010	CORY DR	SAN PEDRO AV	SAN JUAN DR	460	36	16,560	R - Residential/Local	A - AC	74	22.31
CORYDR	1020	CORY DR	SAN JUAN DR	END (NE)	1,261	36	45,396	R - Residential/Local	A - AC	75	18.91
CORYLN	1010	CORY LN	SAN PEDRO RD	CUL DE SAC	420	36	15,120	R - Residential/Local	A - AC	79	25.5
COSMOA	1010	COSMO AV	DEL MONTE AV	MONTEREY ST	950	40	38,016	C - Collector	A - AC	60	8.34
COSMOA	1020	COSMO AV	DENALI DR	DEL MONTE AV	483	37	17,871	C - Collector	A - AC	77	14.59
COUNTF	1010	COUNT FLEET CT	NATIVE DANCER DR	END	475	32	15,206	R - Residential/Local	A - AC	59	13.95
CREEKS	1010	CREEKSIDE CT	END	EASY ST	528	40	21,120	R - Residential/Local	A - AC	48	8.85
CRESTA	1010	CREST AV	WEST MAIN AV	COLLEEN CT	1,108	40	41,184	R - Residential/Local	A - AC	60	14.98
CRESTA	1020	CREST AV	COLLEEN CT	LONGVIEW DR	686	36	24,696	R - Residential/Local	A - AC	62	16.39
CRESTA	1030	CREST AV	LONGVIEW DR	OAKGROVE CT	634	40	25,360	R - Residential/Local	A - AC	73	24.87
CRYSTA	1020	CRYSTAL DR	END	CASTLE HILL DR	844	20	14,362	R - Residential/Local	A - AC	74	22.31
CURRAV	1010	CURRY AV	HALE AV	SAFFRON DR	1,235	34	41,990	R - Residential/Local	A - AC	73	21.42
DAVICR	1010	DA VINCI CR	LA ROCEL	END	397	32	12,704	R - Residential/Local	A - AC	82	30.86
DAFFOD	1010	DAFFODIL CT	BLUEBONNET WY	END	158	40	6,336	R - Residential/Local	A - AC	50	9.48
DAKOTA	1010	DAKOTA DR	LOTUS WAY	DEAD END	215	28	6,020	R - Residential/Local	A - AC	78	28.93
DALEHO	1010	DALE HOLLOW CT	S/O SPRING AVE	CUL DE SAC	358	32	12,985	R - Residential/Local	A - AC	79	28.48
DANNY	1010	DANNY BOY CT	EXCALIBER DR	CUL-DE-SAC	305	33	10,065	R - Residential/Local	A - AC	89	41.64
DARKST	1010	DARKSTAR CT	VENETIAN WY	END	475	32	15,206	R - Residential/Local	A - AC	58	13.41
DEANZA	1010	DE ANZA CT	END	EASY ST	317	40	12,672	R - Residential/Local	A - AC	51	9.81
DEPAUL	1010	DE PAUL DR	END	COCHRANE RD	950	40	38,016	C - Collector	A - AC	76	14.11
DEANAC	1010	DEANA CT	END	LLAGAS RD	739	29	21,437	R - Residential/Local	A - AC	56	13
DEERRU	1010	DEER RUN CT	LLAGAS RD	END	528	32	16,896	R - Residential/Local	A - AC	33	2.55
DELMON	1005	DEL MONTE AV	COSMO AV	S/O MATHILDA CT	792	37	29,304	R - Residential/Local	A - AC	79	25.5

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DELMON	1015	DEL MONTE AV	S/O MATHILDA CT	FOOTHILL CT	285	37	10,545	R - Residential/Local	A - AC	80	26.12
DELMON	1020A	DEL MONTE AV	FOOTHILL CT	SPRING AV	297	40	11,880	R - Residential/Local	A - AC	75	22.94
DELMON	1020B	DEL MONTE AV	SPRING AV	CIOLINO AV	759	40	30,360	R - Residential/Local	A - AC	52	11.08
DELMON	1031	DEL MONTE AV	CIOLINO AV	W DUNNE AV	609	40	24,360	R - Residential/Local	A - AC	74	22.31
DELMON	1032	DEL MONTE AV	W DUNNE AV	FIFTH ST	394	40	15,760	R - Residential/Local	A - AC	80	26.13
DELMON	1040	DEL MONTE AV	THIRD ST	KNOB HILL TR	211	27	5,702	R - Residential/Local	A - AC	20	0
DELMON	1050	DEL MONTE AV	KNOB HILL TR	SECOND ST	106	40	4,224	R - Residential/Local	A - AC	40	5.52
DELMON	1060	DEL MONTE AV	SECOND ST	KEYSTONE AV	950	40	38,016	R - Residential/Local	A - AC	28	0.95
DELMON	1110	DEL MONTE AV	CENTRAL AV	WRIGHT AV	1,056	40	42,240	R - Residential/Local	A - AC	38	4.38
DELMON	1215	DEL MONTE AV	DEAD END	LLAGES RD	1,005	20	33,400	R - Residential/Local	A - AC	40	5.52
DELMON	1225	DEL MONTE AV	LLAGAS RD	BERKSHIRE DR	600	40	24,000	R - Residential/Local	A - AC	58	14.1
DELMON	1230	DEL MONTE AV	BERKSHIRE DR	SANCHEZ DR	686	40	27,456	R - Residential/Local	A - AC	67	17.97
DELMOC	1010	DEL MONTE CR	END	DEL MONTE AV	211	20	4,220	R - Residential/Local	A - AC	55	12.38
DENALI	1010	DENALI DR	COSMO AVE	OLYMPIC DR	793	48	38,064	R - Residential/Local	A - AC	81	31.63
DENALI	1020	DENALI DR	OLYMPIC DR	SUNSET AVE	364	37	13,468	R - Residential/Local	A - AC	81	26.75
DEPOTS	1005	DEPOT ST	EAST DUNNE AV	FIFTH ST	630	36	22,680	C - Collector	A - AC	68	11.02
DEPOTS	1015	DEPOT ST	FIFTH ST	FOURTH ST	442	36	15,912	C - Collector	A - AC	77	14.59
DEPOTS	1020	DEPOT ST	FOURTH ST	SECOND ST	635	36	22,860	C - Collector	A - AC	76	14.11
DEPOTS	1030	DEPOT ST	SECOND ST	EAST MAIN AV	700	36	25,200	C - Collector	A - AC	76	14.11
DESCAN	1010	DESCANSA CT	END	LA CROSSE DR	528	40	21,120	R - Residential/Local	A - AC	63	16.2
DEWITT	1010	DEWITT AV	CITY LIMITS	WEST DUNNE AV	900	40	36,000	C - Collector	A - AC	59	7.99
DEWITT	1015	DEWITT AV	WEST DUNNE AV	ALKIRE AV	774	40	30,960	R - Residential/Local	A - AC	69	19.18
DEWITT	1025	DEWITT AV	ALKIRE AV	W. MAIN AVE	700	40	28,000	R - Residential/Local	A - AC	37	4.05
DEWITT	1030	DEWITT AV	W. MAIN AVE	CLAREMONT DR	862	40	34,480	R - Residential/Local	A - AC	34	3.2
DEWITT	1040	DEWITT AV	CLAREMONT DR	MARCIA DR	530	40	21,200	R - Residential/Local	A - AC	52	11.1
DIANAA	1010	DIANA AV	DEAD END (S. OF BUTTERFIELD)	BUTTERFIELD BLVD	585	24	14,040	C - Collector	A - AC	67	10.61
DIANAA	1020	DIANA AV	BUTTERFIELD BLVD	GRAND PRIX WY	1,659	42	69,678	C - Collector	O - AC/AC	70	16.87
DIANAA	1030	DIANA AV	GRAND PRIX WY	JAMES LEX LN	968	30	29,040	C - Collector	O - AC/AC	48	6.94
DIANAA	1040	DIANA AV	JAMES LEX LN	WALNUT GROVE DR (E)	942	47	44,274	C - Collector	A - AC	69	11.44

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DIANAA	1100	DIANA AV	CITY LIMIT SW/O BRADFORD	HILL RD	3,142	32	100,544	C - Collector	A - AC	75	13.64
DIGIDR	1010	DIGITAL DRIVE	BUTTERFIELD BLVD	BUTTERFIELD BLVD	2,280	34	77,520	C - Collector	A - AC	68	10.8
DOGWOO	1010	DOGWOOD WY	END	JASMINE WY	158	40	6,336	R - Residential/Local	A - AC	68	18.57
DOMAIC	1010	DOMAINE CT	E/O MALBEC DR	CUL DE SAC	272	32	10,311	R - Residential/Local	A - AC	83	33.25
DOMAID	1010	DOMAINE DR	BRIX WY	MALBEC DR	157	32	5,024	R - Residential/Local	A - AC	79	28.78
DOMAID	1020	DOMAINE DR	CABERNET CT	BRIX WY	994	34	33,796	R - Residential/Local	A - AC	78	25.95
DOUGHE	1010	DOUGHERTY AV	TILTON AV	CITY LIMITS	950	30	28,500	R - Residential/Local	A - AC	80	26.13
DOUGHE	1015	DOUGHERTY AV	TILTON AV	N/O BASIL	1,000	34	34,000	R - Residential/Local	A - AC	79	27.44
DOUGHE	1025	DOUGHERTY AV	N/O BASIL	CURRY AV	310	34	10,540	R - Residential/Local	A - AC	81	30.34
DRYCRE	1010	DRY CREEK CT	SPRING HILL DR	END	264	40	10,560	R - Residential/Local	A - AC	70	22.04
EDMUND	1010	E EDMUNDSON AV	MONTEREY ST	CHURCH ST	634	40	25,344	A - Arterial	A - AC	65	12.66
EDMUND	1020	E EDMUNDSON AV	CHURCH ST	END	686	36	24,696	A - Arterial	A - AC	77	17.73
EISLAN	1010	EAGLE ISLAND CT	S/O SPRING AVE	CUL DE SAC	182	32	7,840	R - Residential/Local	A - AC	75	24.68
EAGLES	1020	EAGLE SPRINGS CT	LLAGAS CREEK DR	CUL-DE-SAC	171	33	5,643	R - Residential/Local	A - AC	82	33.08
EVIEWD	1010	EAGLE VIEW DR	N/O MORNING STAR DR	W/O PEET DR	2,305	36	82,980	R - Residential/Local	A - AC	82	32.35
ECENRT	1020	EAST CENTRAL AVE	CALLE MAZATAN	265 FT W/O ASTON CT	1,300	48	62,400	R - Residential/Local	A - AC	80	31.28
ECENRT	1025	EAST CENTRAL AVE	265 FT W/O ASTON CT	E/O LANCIA DR	735	48	35,280	R - Residential/Local	A - AC	80	31.28
ECENRT	1035	EAST CENTRAL AVE	E/O LANCIA DR	SERENE DR	530	48	25,440	R - Residential/Local	A - AC	72	22.81
ECENTR	1010	EAST CENTRAL AVE	W/O BUTTERFIELD	CUL DE SAC	449	29	13,534	R - Residential/Local	A - AC	82	32.91
EDUNNE	1010	EAST DUNNE AV	MONTEREY ST	RAILROAD X	950	58	47,520	A - Arterial	A - AC	65	12.66
EDUNNE	1020A	EAST DUNNE AV	RAILROAD X	BUTTERFIELD	617	69	42,573	A - Arterial	A - AC	68	14
EDUNNE	1020B	EAST DUNNE AV	BUTTERFIELD	JOLLEEN WY	1,918	69	132,342	A - Arterial	A - AC	78	18.2
EDUNNE	1030	EAST DUNNE AV	JOLLEEN WY	LAUREL RD	898	69	61,962	A - Arterial	A - AC	78	18.2
EDUNNE	1040	EAST DUNNE AV	LAUREL RD	CONDIT RD	2,165	69	149,385	A - Arterial	A - AC	62	11.37
EDUNNE	1050	EAST DUNNE AV	CONDIT RD	MURPHY AV	634	88	52,960	A - Arterial	O - AC/AC	93	29.04
EDUNNE	1060	EAST DUNNE AV	MURPHY AV	PEPPERTREE DR	1,267	88	103,832	A - Arterial	O - AC/AC	93	29.04
EDUNNE	1070	EAST DUNNE AV	PEPPERTREE DR	PINE WY	792	88	64,400	A - Arterial	O - AC/AC	93	29.04
EDUNNE	1080	EAST DUNNE AV	PINE WY	TASSAJARA CR	1,215	88	98,760	A - Arterial	O - AC/AC	93	29.04
EDUNNE	1090	EAST DUNNE AV	TASSAJARA CR	HILL RD	1,056	88	82,208	A - Arterial	O - AC/AC	93	29.04

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EDUNNE	1100	EAST DUNNE AV	HILL RD	PVT CHG 356' E/O SORRELL WY	1,650	87	143,550	A - Arterial	O - AC/AC	65	13.8
EDUNNE	1110	EAST DUNNE AV	PVT CHG 356' E/O SORRELL WY	SADDLEBACK DR	217	87	18,879	A - Arterial	O - AC/AC	67	14.99
EDUNNE	1120	EAST DUNNE AV	SADDLEBACK DR	GALLOP DR	897	58	52,026	A - Arterial	A - AC	65	12.66
EDUNNE	1130	EAST DUNNE AV	GALLOP DR	RUSTLING OAK CT	2,693	41	110,413	C - Collector	O - AC/AC	68	16.14
EDUNNE	1140	EAST DUNNE AV	RUSTLING OAK CT	FLAMING OAK LN	898	44	39,512	C - Collector	O - AC/AC	69	16.82
EDUNNE	1150	EAST DUNNE AV	FLAMING OAK LN	THOMAS GRADE	2,429	22	71,597	C - Collector	A - AC	71	11.86
EDUNNE	1160	EAST DUNNE AV	THOMAS GRADE	HOLIDAY DR	950	36	40,550	C - Collector	A - AC	57	7.63
EDUNNE	1170	EAST DUNNE AV	HOLIDAY DR	CITY LIMITS (EAST END)	4,480	32	143,360	C - Collector	A - AC	43	3.93
EMAINA	1010	EAST MAIN AV	MONTEREY ST	RR CROSSING	738	46	35,904	A - Arterial	O - AC/AC	79	21.27
EMAINA	1021	EAST MAIN AV	RR CROSSING	BUTTERFIELD BLVD	530	69	36,570	A - Arterial	A - AC	62	11.37
EMAINA	1022	EAST MAIN AV	BUTTERFIELD BLVD	CALLE MAZATAN	684	69	47,196	A - Arterial	O - AC/AC	73	18.01
EMAINA	1030	EAST MAIN AV	CALLE MAZATAN	GRAND PRIX WY	1,003	36	36,115	A - Arterial	O - AC/AC	55	9.27
EMAINA	1040	EAST MAIN AV	GRAND PRIX WY	CARRIAGE LAMP WY	950	51	48,450	A - Arterial	O - AC/AC	79	21.27
EMAINA	1051A	EAST MAIN AV	CARRIAGE LAMP WY	BELLETO DR	325	51	16,575	A - Arterial	O - AC/AC	81	23.44
EMAINA	1051B	EAST MAIN AV	BELLETO DR	SERENE DR	351	51	17,901	A - Arterial	O - AC/AC	75	18.62
EMAINA	1052	EAST MAIN AV	SERENE DR	LAUREL RD	432	51	22,032	A - Arterial	O - AC/AC	76	19.7
EMAINA	1061	EAST MAIN AV	LAURAL RD	101 OVERPASS	520	42	21,840	A - Arterial	O - AC/AC	53	8.37
EMAINA	1062	EAST MAIN AV	101 OVERPASS	CONDIT RD	694	42	29,148	A - Arterial	A - AC	50	7.73
EMAINA	1070	EAST MAIN AV	CONDIT RD	CASA LN	1,320	36	47,520	A - Arterial	O - AC/AC	44	5.12
EMAINA	1080	EAST MAIN AV	CASA LN	COUNTY MARKER	1,320	51	67,320	A - Arterial	O - AC/AC	61	12.02
EMIDDL	1010	EAST MIDDLE AV	MONTEREY ST	RR CROSSING	686	22	14,678	A - Arterial	A - AC	7	0
EASYST	1010	EASY ST	CITY LIMITS	SUNSHINE ST	1,680	40	67,200	R - Residential/Local	A - AC	59	14.68
EASYST	1020	EASY ST	SUNSHINE ST	SHADOWLANE CT	1,367	40	54,680	R - Residential/Local	A - AC	57	13.39
EASYST	1030	EASY ST	SHADOWLANE CT	END (GATE)	1,214	40	48,576	R - Residential/Local	A - AC	67	19.76
EDESCT	1010	EDES CT	END	MONTEREY ST	792	41	32,472	R - Residential/Local	A - AC	65	16.79
EDWINJ	1010	EDWIN JONES CT	CHARGIN WY	END	317	40	12,672	R - Residential/Local	A - AC	74	22.31
ELPAJA	1010	EL PAJARO CT	END	LA CROSSE DR	475	40	19,008	R - Residential/Local	A - AC	69	19.18
ELTORO	1005	EL TORO CT	LINDO LN	DEL MONTE	435	40	17,400	R - Residential/Local	A - AC	17	0

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ELTOST	1015	EL TORO ST	DEL MONTE	MONTEREY ST	625	40	25,000	R - Residential/Local	A - AC	81	26.75
ELAINE	1010	ELAINE CT	MARCIA DR	END	581	40	23,232	R - Residential/Local	A - AC	63	16.2
ELMROA	1010	ELM RD	CITY LIMITS	HALF RD	370	21	7,762	R - Residential/Local	A - AC	13	0
ENCINO	1010	ENCINO DR	SUNNYSIDE AV	VIA CASTANA DR	1,056	40	42,240	R - Residential/Local	A - AC	25	0
ENCINO	1020	ENCINO DR	VIA CASTANA DR	LA ALAMEDA DR	950	40	38,016	R - Residential/Local	A - AC	23	0
ENCINO	1030	ENCINO DR	LA ALAMEDA DR	END	1,162	40	46,464	R - Residential/Local	A - AC	57	12.88
ENGLIS	1010	ENGLISH WALNUT CT	WALNUT GROVE DR	END	211	24	5,064	R - Residential/Local	A - AC	66	19.35
ENGLIW	1010	ENGLISH WALNUT WY	WALNUT GROVE DR	BELLETO DR	725	44	31,900	R - Residential/Local	A - AC	75	22.94
EXCADR	1010	EXCALIBER DR	BELLINI WY	WATSONVILLE RD	150	34	5,100	R - Residential/Local	A - AC	82	31.43
EXCADR	1020	EXCALIBER DR	WATSONVILLE RD	WHITE CLOUD DR	198	40	7,920	R - Residential/Local	A - AC	88	39.91
EXCADR	1030	EXCALIBER DR	WHITE CLOUD DR	PRANCER CT	964	37	35,668	R - Residential/Local	A - AC	88	30.86
EXCADR	1040	EXCALIBER DR	PRANCER CT	NATIVE DANCER	524	37	19,388	R - Residential/Local	A - AC	88	30.86
EXCADR	1050	EXCALIBER DR	NATIVE DANCER	CUL-DE-SAC	519	33	17,127	R - Residential/Local	A - AC	88	30.86
FARALL	1010	FARALLON DR	PEAK AV	ALKIRE AV	1,056	30	31,680	R - Residential/Local	A - AC	60	14.98
FELIZC	1010	FELIZ CT	FOUNTAIN OAKS DR	END	370	32	11,827	R - Residential/Local	A - AC	61	15.07
FENNCT	1010	FENNEL CT	DOUGHERTY AV	CUL-DE-SAC	473	34	17,947	R - Residential/Local	A - AC	87	38.08
FIELDS	1010	FIELDSHIRE WY	END	JASMINE WY	317	40	12,672	R - Residential/Local	A - AC	81	26.75
FIFTHS	1011	FIFTH ST	DEL MONTE AV	MONTEREY ST	594	38	22,572	R - Residential/Local	A - AC	57	12.88
FIFTHS	1012	FIFTH ST	MONTEREY ST	DEPOT ST	620	38	23,560	R - Residential/Local	A - AC	59	13.96
FIRSTS	1005	FIRST ST	DEL MONTE AV	MONTEREY RD	615	40	24,600	R - Residential/Local	A - AC	35	3.6
FIRSTS	1015	FIRST ST	MONTEREY RD	DEPOT ST	547	40	21,880	R - Residential/Local	A - AC	54	11.31
FISHER	1010	FISHER AV	RAILROAD AV	CITY LIMITS	686	22	15,101	R - Residential/Local	A - AC	58	13.25
FLOREN	1010	FLORENCE CT	END	MARCIA DR	317	40	12,672	R - Residential/Local	A - AC	45	7.46
FOOTHI	1010	FOOTHILL AV	CITY LIMITS	MIDDLE AV	1,426	21	29,938	R - Residential/Local	A - AC	23	0
FOOTHI	1020	FOOTHILL AV	MIDDLE AV	RAQUEL CT	1,320	21	27,720	R - Residential/Local	A - AC	33	2.8
FOOTHI	1030	FOOTHILL AV	RAQUEL CT	MAPLE AV	1,954	21	41,026	R - Residential/Local	A - AC	31	2.03
FOOTHC	1010	FOOTHILL CT	DEL MONTE AV	END	528	40	21,120	R - Residential/Local	A - AC	59	13.96
FOOTHC	1020	FOOTHILL CT	DEL MONTE AV	END	186	49	9,114	R - Residential/Local	A - AC	51	9.81
FOUNTV	1010	FOUNTAIN AV	END	FOUNTAIN OAKS DR	422	40	16,896	R - Residential/Local	A - AC	58	14.1
FOUNTC	1010	FOUNTAIN CT	FOUNTAIN OAKS DR	END	106	40	4,224	R - Residential/Local	A - AC	61	15.07

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FOUNTA	1010	FOUNTAIN OAKS DR	HILL RD	FELIZ CT	1,056	40	42,240	C - Collector	O - AC/AC	80	23
FOUNTA	1020	FOUNTAIN OAKS DR	FELIZ CT	BUCKSKIN CT	898	40	35,920	C - Collector	O - AC/AC	80	24.94
FOUNTA	1030	FOUNTAIN OAKS DR	BUCKSKIN CT	TRAIL DR	897	40	35,904	C - Collector	O - AC/AC	80	24.94
FOUNTA	1040	FOUNTAIN OAKS DR	TRAIL DR	END	739	40	29,568	R - Residential/Local	A - AC	72	21.04
FOURTH	1010	FOURTH ST	END	DEPOT ST	792	38	31,363	R - Residential/Local	A - AC	13	0
FOXHOL	1010	FOXHOLLOW CR	MURPHY SPRINGS DR	MURPHY SPRINGS DR	1,003	36	36,108	R - Residential/Local	A - AC	73	21.67
GALLAN	1010	GALLANT FOX WY	WEST MIDDLE AV	END	845	32	27,034	R - Residential/Local	A - AC	46	7.91
GALLOP	1010	GALLOP DR	FOUNTAIN OAKS DR	EAST DUNNE AV	1,240	40	49,600	R - Residential/Local	A - AC	58	13.75
GARDEN	1010	GARDEN WY	END	WRIGHT AV	317	34	10,771	R - Residential/Local	A - AC	38	4.41
GINGER	1010	GINGER WY	W/O TAYLOR AVE	END	275	30	8,250	R - Residential/Local	A - AC	83	34.3
GITANA	1010	GITANA CT	END (WEST)	SADDLEBACK DR	158	36	5,702	R - Residential/Local	A - AC	41	5.98
GITANA	1020	GITANA CT	SADDLEBACK DR	END (EAST)	317	36	11,405	R - Residential/Local	A - AC	29	1.33
GLENAY	1010	GLEN AYRE DR	LLAGAS RD	JASPER HIGHLANDS DR	1,109	24	26,611	R - Residential/Local	A - AC	59	14.3
GLENAY	1020	GLEN AYRE DR	JASPER HIGHLANDS DR	SCOTT DR	581	24	13,939	R - Residential/Local	A - AC	52	11.11
GLENAY	1030	GLEN AYRE DR	SCOTT DR	END	2,059	18	37,066	R - Residential/Local	A - AC	51	10.03
GLENCA	1010	GLEN CANYON CT	S/O SPRING AVE	CUL DE SAC	341	32	12,519	R - Residential/Local	A - AC	72	21.4
GRANDP	1010	GRAND PRIX WY	DIANA AV	LA SABRE CT	845	40	33,792	R - Residential/Local	A - AC	79	25.5
GRANDP	1020	GRAND PRIX WY	LA SABRE CT	EAST MAIN AV	1,140	40	45,600	R - Residential/Local	A - AC	75	22.94
GRANDP	1030	GRAND PRIX WY	E. CENTRAL AV	E. MAIN AVE	963	33	31,779	R - Residential/Local	A - AC	81	26.75
GREENW	1005	GREENWOOD AV	END	ROCKY RIDGE ROAD	225	24	5,400	R - Residential/Local	A - AC	39	4.83
GREENW	1015	GREENWOOD AV	ROCKY RIDGE ROAD	ROLLING HILL DR	672	24	16,128	R - Residential/Local	A - AC	33	2.8
GREYGH	1010	GREY GHOST CT	END	OLIVE AV	264	40	10,560	R - Residential/Local	A - AC	64	17.88
HALEAV	1010	HALE AV	KNOB HILL TR	WARREN AV	264	35	9,240	A - Arterial	A - AC	60	10.53
HALEAV	1030	HALE AV	LLAGAS RD	VIA LOMA	1,317	30	39,510	A - Arterial	O - AC/AC	86	26.04
HALEAV	1040	HALE AV	CITY LIMITS(1010 Ft N/VIA LOMA	CITY LIMITS(260 Ft S/TILTON	3,680	30	110,400	A - Arterial	O - AC/AC	86	26.04
HALFRD	1010	HALF RD	COUNTY MARKER	GOULD LN	1,479	22	32,538	R - Residential/Local	A - AC	76	23.58
HALFRD	1020	HALF RD	GOULD LN	ELM AV	317	22	6,974	R - Residential/Local	A - AC	81	26.75
HAMPSH	1010	HAMPSHIRE CT	END	BERKSHIRE DR	158	40	6,336	R - Residential/Local	A - AC	81	26.75
HAYLCT	1010	HAY LOFT CT	END	HAY LOFT WY	211	32	6,758	R - Residential/Local	A - AC	70	22.12

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HAYLOF	1010	HAY LOFT WY	GALLOP DR	END	1,056	32	33,792	R - Residential/Local	A - AC	54	11.88
HAZELT	1010	HAZELTON CT	END	DEL MONTE AV	475	40	19,008	R - Residential/Local	A - AC	62	15.63
HEATHE	1010	HEATHERWOOD WY	KATYBETH WY	CUL DE SAC	945	40	38,989	R - Residential/Local	A - AC	81	26.75
HEIDIC	1010	HEIDI CT	END	HEIDI DR	158	59	9,346	R - Residential/Local	O - AC/AC	83	38.44
HEIDID	1010	HEIDI DR	PEAK AV	CREST AV	634	40	25,344	R - Residential/Local	O - AC/AC	82	36.58
HERITA	1010	HERITAGE CT	END	PRESERVATION WY	158	32	5,069	R - Residential/Local	A - AC	71	20.41
HIDALG	1010	HIDALGO CT	VIA GRANDE	END	158	40	6,336	R - Residential/Local	A - AC	46	7.91
HILLRD	1010	HILL RD	COUNTY MARKER	SUNDANCE DR	1,056	44	46,464	A - Arterial	A - AC	76	17.26
HILLRD	1020	HILL RD	SUNDANCE DR	EAST DUNNE AV	845	44	37,180	A - Arterial	O - AC/AC	56	9.73
HILLRD	1030	HILL RD	EAST DUNNE AV	KATYBETH WY	1,109	49	54,341	A - Arterial	A - AC	45	5.71
HILLRD	1040	HILL RD	KATYBETH WY	CITY LIMITS (N/ DANA AV)	2,877	40	115,080	A - Arterial	O - AC/AC	52	8.07
HILOLD	1010	HILL RD (OLD ALIGN.)	E. DUNNE AVE	ROSETTA DR/ HILL RD (NEW)	712	24	17,088	R - Residential/Local	A - AC	34	3.2
HILLTP	1010	HILL TOP CT	EAST DUNNE AV	END	370	24	8,870	R - Residential/Local	A - AC	62	15.63
HUSTON	1010	HUSTON CT	END (WEST)	SADDLEBACK DR	158	36	5,702	R - Residential/Local	A - AC	31	2.11
HUSTON	1020	HUSTON CT	SADDLEBACK DR	END (EAST)	317	36	11,405	R - Residential/Local	A - AC	29	1.33
IMPALA	1010	IMPALA CT	GRAND PRIX WY	END	211	40	8,448	R - Residential/Local	A - AC	59	14.3
JACKSC	1010	JACKSON OAKS CT	END	JACKSON OAKS DR	320	24	7,680	R - Residential/Local	A - AC	44	6.91
JACKSO	1020	JACKSON OAKS DR	EAST DUNNE AV	OAK VIEW CR	264	24	6,336	R - Residential/Local	O - AC/AC	69	20.92
JACKSO	1030	JACKSON OAKS DR	OAK VIEW CR	OAK HILL CT	1,743	24	41,818	R - Residential/Local	O - AC/AC	61	14.72
JACKSO	1040	JACKSON OAKS DR	OAK HILL CT	OAK CANYON DR	1,320	24	31,680	R - Residential/Local	O - AC/AC	57	14.44
JACKSO	1050	JACKSON OAKS DR	OAK CANYON DR	JACKSON OAKS CT	1,373	24	32,947	R - Residential/Local	O - AC/AC	57	14.44
JACKSO	1060	JACKSON OAKS DR	JACKSON OAKS CT	LIVE OAK CT	739	24	17,741	R - Residential/Local	O - AC/AC	67	18.96
JACKSO	1070	JACKSON OAKS DR	LIVE OAK CT	RIDGEVIEW CT	1,003	24	24,077	R - Residential/Local	O - AC/AC	65	18.05
JACKSO	1080	JACKSON OAKS DR	RIDGEVIEW CT	OAKRIDGE RD	792	24	19,008	R - Residential/Local	O - AC/AC	61	14.72
JACQUE	1010	JACQUELINE CT	END	BARRETT AV	370	40	14,784	R - Residential/Local	A - AC	62	16.39
JAMESL	1010	JAMES LEX LN	END	DIANA AV	686	30	20,592	R - Residential/Local	A - AC	59	13.96
JARVIS	1000	JARVIS DR	BUTTERFIELD BLVD	ADDRESS # 885	932	58	54,056	C - Collector	A - AC	80	17.91
JARVIS	1010	JARVIS DR	ADDRESS # 885	SERENE DR	1,058	58	61,364	C - Collector	A - AC	49	5.1

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Street ID	Section ID	Street Name	From	To	Length	Width	Area	Functional Class	Surface Type	Current PCI	Remaining Life
JARVIS	1020	JARVIS DR	SERENE DR	SUTTER BL	3,274	58	189,869	C - Collector	A - AC	68	11.02
JARVIS	1030	JARVIS DR	SUTTER BL	ADDRESS # 400	792	58	45,936	C - Collector	A - AC	76	14.11
JARVIS	1040	JARVIS DR	ADDRESS # 400	BUTTERFIELD BLVD.	601	58	34,858	C - Collector	A - AC	79	17.08
JASMIN	1010	JASMINE WY	310' N/ MEADOW CT (PAVE CHNG)	DOGWOOD WY	792	40	31,680	R - Residential/Local	A - AC	76	23.58
JASMIN	1020	JASMINE WY	DOGWOOD WY	PEPPERTREE DR	634	40	25,344	R - Residential/Local	A - AC	56	12.87
JASMIN	1030	JASMINE WY	PEPPERTREE DR	ARCHFIELD CT	950	40	38,016	R - Residential/Local	A - AC	65	16.79
JASPER	1010	JASPER HIGHLANDS DR	END	GLEN AYRE DR	1,003	18	18,058	R - Residential/Local	A - AC	56	13
JOHNTE	1010	JOHN TELFER DR	WEST DUNNE AV	PVT CHG S/O WEST DUNNE AV	550	28	15,400	R - Residential/Local	A - AC	19	0
JOHNTE	1020	JOHN TELFER DR	WEST DUNNE AV	ALKIRE AV	475	40	19,000	R - Residential/Local	A - AC	78	24.86
JOHNTE	1030	JOHN TELFER DR	WEST MAIN AV	END	930	18	16,740	R - Residential/Local	A - AC	28	0.9
JOHNTE	1040	JOHN TELFER DR	PVT CHG	PRICE DR	510	28	14,280	R - Residential/Local	A - AC	50	9.99
JOHNWI	1010	JOHN WILSON WY	W/O MONTEREY ST	END	762	29	22,098	R - Residential/Local	A - AC	83	34.21
JOLLEE	1010	JOLLEEN WY	END	EAST DUNNE AV	792	40	31,680	R - Residential/Local	A - AC	44	7
JUANHE	1010	JUAN HERNANDEZ DR	DEAD END	BARRETT AVE	1,355	30	40,650	C - Collector	A - AC	77	14.59
JUANHE	1020	JUAN HERNANDEZ DR	BARRETT AVE	TENNANT AVE	1,673	54	90,342	C - Collector	A - AC	76	14.11
JUSTIN	1010	JUSTINO DR	RINGEL DR	CITY LIMITS	205	40	8,200	R - Residential/Local	A - AC	84	35.66
KATYBE	1005	KATYBETH WY	HILL RD	W/O HEATHERWOOD WY	510	40	20,400	R - Residential/Local	A - AC	81	26.75
KATYBE	1015	KATYBETH WY	W/O HEATHERWOOD WY	N/O CONTE WY	190	40	7,600	R - Residential/Local	A - AC	77	24.22
KAYSPR	1010	KAY SPRINGS CT	CHRISTEPH DR	CUL-DE-SAC	232	33	7,656	R - Residential/Local	A - AC	82	33.08
KEITHW	1010	KEITH WY	EDMUNDSON AVE	DEAD END	730	36	26,280	R - Residential/Local	A - AC	75	22.94
KENNEB	1010	KENNEBEC CT	E/O PEET RD	CUL DE SAC	254	32	9,813	R - Residential/Local	A - AC	81	26.75
KEYSTO	1010	KEYSTONE AV	DEL MONTE AV	MONTEREY ST	634	40	25,344	R - Residential/Local	A - AC	53	10.81
KICKCT	1010	KICKAPOO CT	MALAGUERRA AV	CUL-DE-SAC	829	32	28,543	R - Residential/Local	A - AC	82	30.62
KINGSC	1010	KINGS CANYON CT	COSMO AVE	CUL-DE-SAC	187	33	5,102	C - Collector	A - AC	80	15.58
KNOBHI	1010	KNOB HILL TR	END	DEL MONTE AV	945	36	34,020	R - Residential/Local	A - AC	63	16.2
LAAGUA	1010	LA AGUA CT	LA JOLLA DR	END	158	40	6,336	R - Residential/Local	A - AC	80	26.13

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LAALAM	1010	LA ALAMEDA DR	WATSONVILLE RD	ALAMO DR	528	40	21,120	C - Collector	O - AC/AC	81	23.59
LAALAM	1020	LA ALAMEDA DR	ALAMO DR	ROBLE DR	1,056	40	42,240	C - Collector	O - AC/AC	79	24.01
LAALAM	1030	LA ALAMEDA DR	ROBLE DR	LA CROSSE DR	687	40	27,456	C - Collector	O - AC/AC	72	18.91
LAARBO	1010	LA ARBOLEDA WY	WATSONVILLE RD	END	1,021	37	37,777	R - Residential/Local	A - AC	82	33.08
LABARE	1010	LA BAREE DR	CALLE ENRIQUE	LA CROSSE DR	686	40	27,456	R - Residential/Local	A - AC	48	8.95
LABELL	1010	LA BELLA CT	LA CROSSE DR	END	686	40	27,456	R - Residential/Local	A - AC	55	12.38
LACANA	1010	LA CANADA CT	END	CALLE ENRIQUE	581	40	23,232	R - Residential/Local	A - AC	52	10.31
LACROS	1010	LA CROSSE DR	LA ALAMEDA DR	LA PALA CT	898	50	44,900	C - Collector	A - AC	59	7.99
LACROS	1020	LA CROSSE DR	LA PALA CT	VINEYARD BL	1,214	50	60,720	C - Collector	A - AC	51	5.83
LACROS	1030	LA CROSSE DR	VINEYARD BL	LA MIRADA CT	1,267	50	63,360	C - Collector	A - AC	42	3.64
LACROS	1040	LA CROSSE DR	LA MIRADA CT	LA RENA CT	792	50	39,600	C - Collector	A - AC	17	0
LACROS	1050	LA CROSSE DR	LA RENA CT	LA RODA CT	602	46	27,692	C - Collector	A - AC	40	3.07
LACROS	1060	LA CROSSE DR	MCKELVY LN	LA GRANDE DR	1,004	50	50,160	C - Collector	A - AC	69	11.44
LACROS	1070	LA CROSSE DR	LA GRANDE DR	LA ALAMEDA DR	950	50	47,520	C - Collector	A - AC	67	10.61
LACROS	1080A	LA CROSSE DR	MCKELVY LN	75 FT WEST OF LA RODA CT	484	46	22,264	C - Collector	A - AC	71	11.86
LACROS	1080B	LA CROSSE DR	75 FT WEST OF LA RODA CT	LA RODA CT	75	46	3,450	C - Collector	A - AC	45	4.23
LAESCU	1010	LA ESCUELA CT	END	LA CROSSE DR	581	40	23,232	R - Residential/Local	A - AC	77	24.22
LAGIRC	1010	LA GIRALDA CT	VIA GRANDE	END	158	40	6,336	R - Residential/Local	A - AC	57	12.88
LAGRAN	1010	LA GRANDE DR	VIA CASTANA	LA CROSSE DR	240	50	12,000	R - Residential/Local	A - AC	75	22.94
LAHONC	1010	LA HONDA CT	LA CROSSE DR	END	528	40	21,120	R - Residential/Local	A - AC	69	19.18
LAHON	1010	LA HONDA SUR	END	LA CROSSE DR	317	40	12,672	R - Residential/Local	A - AC	62	16.77
LAJOLC	1010	LA JOLLA CT	LA CROSSE DR	END	581	40	23,232	R - Residential/Local	A - AC	70	22.04
LAJOLL	1010	LA JOLLA DR	VIA NAVONA	LA CROSSE DR	810	40	32,400	R - Residential/Local	A - AC	77	24.22
LAJOLL	1020	LA JOLLA DR	VIA NAVONA	END	1,020	37	37,740	R - Residential/Local	A - AC	81	26.75
LAMARC	1010	LA MAR CT	LA CROSSE DR	END	581	40	23,232	R - Residential/Local	A - AC	74	22.31
LAMARD	1010	LA MAR DR	CALLE ENRIQUE	LA CROSSE DR	1,320	40	52,800	R - Residential/Local	A - AC	67	17.97
LAMESA	1010	LA MESA CT	LA CROSSE DR	CUL-DE-SAC	528	40	21,120	R - Residential/Local	A - AC	62	15.63
LAMIRA	1010	LA MIRADA CT	END	LA CROSSE DR	528	40	21,120	R - Residential/Local	A - AC	47	8.38

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LAPALA	1010	LA PALA CT	END	LA CROSSE DR	317	40	12,672	R - Residential/Local	A - AC	56	13
LAPAZC	1010	LA PAZ CT	END	CALLE ENRIQUE	580	40	23,200	R - Residential/Local	A - AC	48	8.84
LAPORT	1010	LA PORTE CT	END	LA CROSSE DR	475	40	19,008	R - Residential/Local	A - AC	49	9.33
LAPREN	1010	LA PRENDA CT	END	LA CROSSE DR	581	40	23,232	R - Residential/Local	A - AC	36	3.77
LARENA	1010	LA RENA CT	LA CROSSE DR	END	106	60	6,336	R - Residential/Local	A - AC	56	12.35
LAROCC	1005	LA ROCCA CT	BELLINI WY	END (SW)	144	40	5,760	R - Residential/Local	A - AC	81	26.75
LAROCC	1015	LA ROCCA CT	ALAMO DR	END (SE)	445	40	18,989	R - Residential/Local	A - AC	47	8.42
LARODR	1005	LA ROCCA DR	BELLINI WY	ALAMO DR	1,024	40	40,960	R - Residential/Local	A - AC	76	23.58
LARODA	1010	LA RODA CT	LA CROSSE DR	END	158	40	6,336	R - Residential/Local	A - AC	31	2.03
LASABR	1010	LA SABRE CT	END	GRAND PRIX WY	430	40	17,200	R - Residential/Local	A - AC	52	10.6
LASIER	1010	LA SIERRA CT	LA CROSSE DR	END	528	40	21,120	R - Residential/Local	A - AC	57	12.88
LATIER	1020	LA TIERRA DR	VIA CASTANA DR	VIA CASTANA DR	1,100	40	44,000	R - Residential/Local	A - AC	75	22.94
LAVELA	1010	LA VELA CT	LA JOLLA DR	CULO-DE-SAC	305	37	11,285	R - Residential/Local	A - AC	81	26.75
LAVIAA	1010	LA VIA AZUL	LA MAR DR	LA JOLLA DR	211	40	8,448	R - Residential/Local	A - AC	76	23.58
LAVIAC	1010	LA VIA AZUL CT	LA JOLLA DR	END	370	40	14,784	R - Residential/Local	A - AC	78	24.86
LAVIST	1010	LA VISTA CT	END	SUNNYSIDE AV	370	39	14,414	R - Residential/Local	A - AC	81	26.75
LANCIA	1010	LANCIA DR	S/O EAST CENTRAL AVE	CUL-DE-SAC S. OF BENTLEY DR	915	37	33,855	R - Residential/Local	A - AC	79	30.24
LANDAU	1010	LANDAU CT	END	GRAND PRIX WY	420	40	16,800	R - Residential/Local	A - AC	54	11.77
LACOCH	1010	LAS COCHES CT	END	CALLE ENRIQUE	475	40	19,008	R - Residential/Local	A - AC	53	10.81
LAUREL	1010	LAUREL RD	EAST DUNNE AV	WALNUT GROVE DR	250	38	9,500	R - Residential/Local	A - AC	79	25.5
LAUREL	2010	LAUREL RD	EAST MAIN AV	CITY LIMITS	679	32	21,728	C - Collector	A - AC	32	1.4
LEAFYC	1010	LEAFY CT	PEPPERTREE DR	END	211	40	8,448	R - Residential/Local	A - AC	55	11.83
LEGEND	1010	LEGEND CT	S/O EAGLE VIEW	CUL DE SAC	501	32	17,717	R - Residential/Local	A - AC	83	33.91
LINDOC	1010	LINDO CT	EL TORO CT	END	475	40	19,008	R - Residential/Local	A - AC	16	0
LINDOL	1010	LINDO LN	DEL MONTE ST	EL TORO CT	739	40	29,568	R - Residential/Local	A - AC	33	2.8
LIVEOA	1010	LIVE OAK CT	JACKSON OAKS DR	END	315	24	7,560	R - Residential/Local	A - AC	57	13.65
LLAGCR	1010	LLAGAS CREEK DR	NW DEAD END	LLAGAS RD	813	36	29,268	R - Residential/Local	A - AC	81	31.63
LLAGCR	1020	LLAGAS CREEK DR	LLAGAS RD	SE DEAD END	638	36	22,968	R - Residential/Local	A - AC	79	30.24
LLAGCR	1030	LLAGAS CREEK DR	STONEY CREEK WY	END	1,065	34	36,210	R - Residential/Local	A - AC	81	30.1

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LLAGCT	1010	LLAGAS CT	LLAGAS RD	CUL-DE-SAVC	159	33	5,247	R - Residential/Local	A - AC	79	25.5
LLAGAS	1010	LLAGAS RD	COUNTY MARKER	WOODLAND AV	581	22	12,778	C - Collector	A - AC	55	6.65
LLAGAS	1020	LLAGAS RD	WOODLAND AV	COUNTY MARKER	1,003	22	22,070	C - Collector	A - AC	60	8.34
LLAGAS	1030	LLAGAS RD	COUNTY MARKER	GLEN AYRE DR	845	22	18,586	C - Collector	A - AC	43	3.68
LLAGAS	1040	LLAGAS RD	GLEN AYRE DR	CASTLE HILL DR	2,270	22	49,949	C - Collector	A - AC	51	5.7
LLAGAS	1050	LLAGAS RD	CASTLE HILL DR	CASTLE RIDGE DR	2,006	28	56,168	C - Collector	A - AC	67	10.61
LLAGAS	1060	LLAGAS RD	CASTLE RIDGE DR	DEANA CT	1,380	28	38,640	C - Collector	A - AC	75	13.64
LLAGAS	1070	LLAGAS RD	DEANA CT	TERESA LN	500	22	11,000	C - Collector	A - AC	71	11.86
LLAGAS	1080	LLAGAS RD	TERESA LN	LLAGAS CT	1,950	22	42,900	C - Collector	O - AC/AC	90	28.71
LLAGAS	1090	LLAGAS RD	LLAGAS CT	CHRISTEPH DR	950	45	42,750	C - Collector	O - AC/AC	90	28.71
LLAGAS	1100	LLAGAS RD	CHRISTEPH DR	MURPHY SPRINGS DR	951	46	38,861	C - Collector	O - AC/AC	90	28.71
LLAGAS	1110A	LLAGAS RD	MURPHY SPRINGS DR	HALE AV	396	52	20,592	C - Collector	O - AC/AC	90	28.71
LLAGAS	1110B	LLAGAS RD	HALE AV	DEL MONTE AV	555	52	28,860	C - Collector	A - AC	52	6.01
LLAGAS	1120	LLAGAS RD	DEL MONTE AV	OLD MONTEREY RD	845	68	57,460	C - Collector	A - AC	56	6.97
LLAGVI	1010	LLAGAS VISTA DR	LLAGAS CREEK RD	CUL-DE-SAC	947	37	35,039	R - Residential/Local	A - AC	78	28.93
LONEHI	1010	LONE HILL DR	SPRING AV	END	951	40	38,016	R - Residential/Local	A - AC	68	18.57
LONGVI	1010	LONGVIEW DR	PEAK AV	CREST AV	686	30	20,592	R - Residential/Local	O - AC/AC	79	32.46
LONGVI	1020	LONGVIEW DR	CREST AV	HALE AV	634	30	19,008	R - Residential/Local	O - AC/AC	83	37.75
LORILN	1010	LORI LN	PARK VIEW DR	END	227	25	5,675	R - Residential/Local	A - AC	79	25.5
LOTUSW	1010	LOTUS WY	DIANA AVE	DAKOTA DR	480	28	13,440	R - Residential/Local	A - AC	81	26.75
MADRON	1010	MADRONE PKWY	MONTEREY ST	BUTTERFIELD BLVD	1,640	45	73,800	C - Collector	A - AC	75	13.43
MADRON	1020	MADRONE PKWY	BUTTERFIELD BLVD	NE CORNER OF MADRONE PKWY	2,166	45	97,470	C - Collector	A - AC	75	13.43
MADRON	1030	MADRONE PKWY	NE CORNER OF MADRONE PKWY	COCHRANE RD	1,517	45	68,265	C - Collector	A - AC	74	13.34
MAGNOL	1020	MAGNOLA CT	SADDLEBACK DR	CUL DE SAC	291	33	9,603	R - Residential/Local	A - AC	81	26.75
MAGNOL	1010	MAGNOLIA WY	E. DUNNE AVE	SADDLEBACK DR	795	33	26,235	R - Residential/Local	A - AC	78	28.93
MASPWY	1010	MAIDEN SPRING WY	SHADOW BROOK	CARRIAGE	315	34	10,710	R - Residential/Local	A - AC	82	31.69
MAJORC	1010	MAJORCA DR	MALAGA DR	MARBELLA CT	792	40	31,680	R - Residential/Local	A - AC	84	35.59
MALAGC	1010	MALAGA CT	MALAGA DR	END	158	40	6,336	R - Residential/Local	A - AC	84	35.59

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MALAGA	1010	MALAGA DR	SEVILLE DR	EAST DUNNE AV	687	40	27,456	R - Residential/Local	A - AC	83	34.5
MALBED	1010	MALBEC DR	105 FT S/O DOMAINE DR	CUL DE SAC S. OF MERLOT	475	33	15,675	R - Residential/Local	A - AC	81	26.75
MALBED	1020	MALBEC DR	105 FT S/O DOMAINE DR	S/O DOMAINE	105	32	3,360	R - Residential/Local	A - AC	80	30.19
MALLGU	1005	MALLGUERRA AV	N/O COCHRANE	375 FT N/O COCHRANE	375	24	9,000	R - Residential/Local	O - AC/AC	87	34.13
MALLGU	1015	MALLGUERRA AV	375 FT N/O COCHRANE	N/O SILVERWINGS CT	825	32	26,400	R - Residential/Local	O - AC/AC	83	37.75
MALLGU	1025	MALLGUERRA AV	N/O SILVERWINGS CT	MORNING STAR DR	390	32	12,480	R - Residential/Local	O - AC/AC	80	34.12
MANORC	1010	MANOR CT	DEL MONTE AV	END	581	40	23,232	R - Residential/Local	A - AC	69	21.15
MAPLEA	1010	MAPLE AV	FOOTHILL AV	CITY LIMITS	2,112	22	46,464	R - Residential/Local	A - AC	19	0
MARBEL	1010	MARBELLA CT	SEVILLE DR	END	581	40	23,232	R - Residential/Local	A - AC	84	34.31
MARCIA	1010	MARCIA DR	DEWITT AV	PEAK AV	687	40	27,456	R - Residential/Local	A - AC	72	21.04
MARKRO	1010	MARKROSS CT	DIANA AV	END	581	40	23,232	R - Residential/Local	A - AC	33	2.8
MASTST	1010	MAST ST	CHURCH ST	END	898	36	32,314	R - Residential/Local	A - AC	39	4.82
MATHIL	1010	MATHILDA CT	DEL MONTE AV	END	475	40	19,008	R - Residential/Local	A - AC	39	4.83
MCKELV	1010	MCKELVEY LN	LA CROSSE DR	END	106	40	4,224	R - Residential/Local	A - AC	73	21.67
MEADOW	1010	MEADOW CT	END	JASMINE WY	106	40	4,224	R - Residential/Local	A - AC	51	9.81
MERLOT	1010	MERLOT DR	HILL RD	MALBEC DR	364	33	12,012	R - Residential/Local	A - AC	81	26.75
MIRABE	1010	MIRA BELLA CIR	TRAIL DR	END AT TRAIL DR	2,545	37	94,165	R - Residential/Local	A - AC	82	33.08
MIRAPL	1010	MIRA BELLA PL	MIRA BELLA CIRCLE	CUL-DE-SAC	142	37	5,254	R - Residential/Local	A - AC	75	25.33
MIRAFL	1010	MIRA FLORES CT	MIRA BELLA CIRCLE	CUL-DE-SAC	171	37	6,327	R - Residential/Local	A - AC	79	30.24
MIRALA	1010	MIRA LAGOS DR	MIRA BELLA CIRCLE	END	129	37	4,773	R - Residential/Local	A - AC	81	31.63
MISSIO	1010	MISSION AVENIDA	MISSION VIEW DR	ALCALA CT	428	37	15,836	R - Residential/Local	A - AC	81	26.75
MISSVW	1010	MISSION VIEW DR	COCHRANE RD	AVENIDA DE LOS PADRES	1,360	49	66,640	R - Residential/Local	O - AC/AC	92	37.17
MISSVW	1020	MISSION VIEW DR	AVENIDA DE LOS PADRES	HALF RD	1,900	28	53,200	R - Residential/Local	O - AC/AC	92	37.17
MONTER	1010	MONTEREY ST	EAST MIDDLE AV	WEST MIDDLE AV	1,478	75	110,850	A - Arterial	O - AC/AC	45	5.5
MONTER	1020	MONTEREY ST	WEST MIDDLE AV	WATSONVILLE RD	3,010	75	225,750	A - Arterial	O - AC/AC	56	9.62
MONTER	1030	MONTEREY ST	WATSONVILLE RD	VINEYARD BL	1,954	95	185,630	A - Arterial	O - AC/AC	72	17.28
MONTER	1040	MONTEREY ST	VINEYARD BL	TENNANT AV	950	76	72,200	A - Arterial	O - AC/AC	62	12.27

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MONTER	1060	MONTEREY ST	TENNANT AV	BARRETT AV	1,630	80	130,400	A - Arterial	O - AC/AC	51	7.5
MONTER	1070	MONTEREY ST	BARRETT AV	COSMO AV	634	80	50,720	A - Arterial	O - AC/AC	62	12.27
MONTER	1081	MONTEREY ST	COSMO AV	512 FT S/SAN PEDRO AV	544	80	43,520	A - Arterial	A - AC	77	17.73
MONTER	1082	MONTEREY ST	512 FT S/SAN PEDRO AV	SAN PEDRO AV	512	80	40,960	A - Arterial	O - AC/AC	66	14.05
MONTER	1090	MONTEREY ST	SAN PEDRO AV	MYRTLE AV	1,214	91	110,474	A - Arterial	O - AC/AC	49	7.09
MONTER	1101	MONTEREY ST	MYRTLE AV	DUNNE AV	448	64	28,672	A - Arterial	O - AC/AC	52	7.93
MONTER	1102	MONTEREY ST	DUNNE AV	FIFTH ST	502	64	32,128	A - Arterial	O - AC/AC	78	21.3
MONTER	1110	MONTEREY ST	FIFTH ST	SECOND ST	1,110	62	68,820	A - Arterial	O - AC/AC	80	22.97
MONTER	1120	MONTEREY ST	SECOND ST	KEYSTONE AV	1,004	60	60,240	A - Arterial	O - AC/AC	90	28.04
MONTER	1130	MONTEREY ST	KEYSTONE AV	CENTRAL AV	686	75	51,450	A - Arterial	O - AC/AC	90	28.04
MONTER	1140	MONTEREY ST	CENTRAL AV	WRIGHT AV	1,003	88	88,264	A - Arterial	O - AC/AC	90	28.04
MONTER	1150	MONTEREY ST	WRIGHT AV	OLD MONTEREY RD	1,742	76	132,392	A - Arterial	O - AC/AC	84	25.04
MONTER	1160	MONTEREY ST	OLD MONTEREY RD	COCHRANE RD	2,376	69	163,944	A - Arterial	O - AC/AC	84	25.04
MONTER	1170	MONTEREY ST	COCHRANE RD	COCHRANE CIR	950	84	79,800	A - Arterial	A - AC	45	5.8
MONTER	1180	MONTEREY ST	COCHRANE CIR	PEEBLES AV	1,954	81	158,274	A - Arterial	A - AC	39	3.96
MONTER	1190	MONTEREY ST	PEEBLES AV	BURNETT AV	1,478	84	124,152	A - Arterial	A - AC	46	5.95
MONTER	1200	MONTEREY ST	BURNETT AV	CITY LIMITS	1,215	72	87,480	A - Arterial	A - AC	66	13.11
MONTOY	1010	MONTOYA CR	BEL AIR CT	EAST MAIN AV	1,373	40	54,912	R - Residential/Local	A - AC	80	26.12
MORGAN	1020	MORGAN AV	END	MORGAN CT	687	40	27,456	R - Residential/Local	A - AC	63	16.2
MORGAN	1030	MORGAN AV	MORGAN CT	HILL RD	845	40	33,792	R - Residential/Local	A - AC	67	17.97
MORGAC	1010	MORGAN CT	END	MORGAN AV	264	40	10,560	R - Residential/Local	A - AC	68	20.3
MORNIN	1010	MORNING STAR DR	E/O PEET RD	W/O MALGUERRA AVE	1,431	32	47,477	R - Residential/Local	A - AC	81	26.75
MUNROW	1010	MUNRO WY	WEST DUNNE AV	ALKIRE AV	475	40	19,008	R - Residential/Local	A - AC	47	8.42
MURPHA	1010	MURPHY AV	CITY LIMITS (SOUTH)	EAST DUNNE AV	792	28	22,176	A - Arterial	A - AC	78	18.2
MURPHA	1015	MURPHY AV	EAST DUNNE AV	WIDTH CHG	340	78	26,520	A - Arterial	A - AC	81	20.02
MURPHA	1025	MURPHY AV	WIDTH CHG	CITY LIMITS (NORTH)	800	32	25,600	A - Arterial	A - AC	80	19.12
MURPHC	1010	MURPHY CT	END	HALE AV	106	40	4,224	R - Residential/Local	A - AC	75	22.94
MURSPC	1010	MURPHY SPRINGS CT	VIA LOMA	END	739	40	29,568	R - Residential/Local	A - AC	70	19.79

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MURSPD	1010	MURPHY SPRINGS DR	LLAGAS RD	VIA LOMA	898	40	35,904	R - Residential/Local	A - AC	58	13.92
MYRTLE	1010	MYRTLE AV	MONTEREY ST	CHURCH ST	422	40	16,896	R - Residential/Local	A - AC	62	16.39
NATIVE	1000	NATIVE DANCER DR	E/O SECRATERIAT	W/O SANTA TERESA	279	32	8,928	R - Residential/Local	A - AC	90	42.82
NATIVE	1010	NATIVE DANCER DR	SANTA TERESA BL	EXCALIBER DR	686	50	34,300	C - Collector	A - AC	77	14.59
NATIVE	1020	NATIVE DANCER DR	EXCALIBER DR	BLACK PRINCE CT	1,003	40	40,128	C - Collector	A - AC	74	13.18
NATIVE	1030	NATIVE DANCER DR	BLACK PRINCE CT	WEST MIDDLE AV	1,056	40	42,240	C - Collector	A - AC	56	6.97
NOBLEC	1020	NOBLE CT	PEAK AV	END	634	36	22,824	R - Residential/Local	A - AC	58	13.41
OAKCAN	1010	OAK CANYON DR	JACKSON OAKS DR	END	950	25	23,760	R - Residential/Local	A - AC	71	22.95
OAKHIL	1010	OAK HILL CT	JACKSON OAKS DR	END	898	24	21,542	R - Residential/Local	A - AC	40	5.06
OAKLEC	1010	OAK LEAF CT	END	OAK LEAF DR	739	24	17,741	R - Residential/Local	A - AC	48	8.95
OAKLED	1010	OAK LEAF DR	EAST DUNNE AV	PVT CHG 485' S/O LORI LN	1,151	24	27,624	R - Residential/Local	A - AC	38	4.41
OAKLED	1020	OAK LEAF DR	PVT CHG 485' S/O LORI LN	VALLEY VIEW CT	1,699	24	40,776	R - Residential/Local	A - AC	79	25.5
OAKLED	1030	OAK LEAF DR	VALLEY VIEW CT	END	845	24	20,275	R - Residential/Local	A - AC	80	26.13
OAKVIE	1010	OAK VIEW CR	JACKSON OAKS DR	CIRCLE LN	2,588	24	62,112	R - Residential/Local	A - AC	32	2.17
OAKVIE	1020	OAK VIEW CR	CIRCLE LN	JACKSON OAKS DR	1,215	24	29,160	R - Residential/Local	A - AC	32	2.41
OAKVIC	1010	OAK VIEW CT	END	OAK VIEW CR	370	24	8,870	R - Residential/Local	A - AC	60	14.98
OAKGRC	1010	OAKGROVE CT	END	OAKGROVE DR	528	40	21,120	R - Residential/Local	A - AC	77	24.22
OAKGRD	1010	OAKGROVE DR	WRIGHT AV	OAKGROVE CT	528	33	17,424	R - Residential/Local	A - AC	89	31.59
OAKRCT	1020	OAKRIDGE CT	JACKSON OAKS DR	END	792	24	19,008	R - Residential/Local	A - AC	44	7
OAKRID	1010	OAKRIDGE RD	JACKSON OAKS DR	JACKSON OAKS DR	1,003	24	24,077	R - Residential/Local	O - AC/AC	58	13.25
OAKWOO	1010	OAKWOOD CT	END	JACKSON OAKS DR	2,693	24	64,627	R - Residential/Local	A - AC	43	6.56
OLDMON	1010	OLD MONTEREY RD	MONTEREY ST	LLAGAS RD	1,109	28	31,052	R - Residential/Local	O - AC/AC	79	25.67
OLDMON	1020	OLD MONTEREY RD	LLAGAS RD	BERKSHIRE DR	581	44	25,564	R - Residential/Local	A - AC	60	15.25
OLDMON	1030	OLD MONTEREY RD	BERKSHIRE DR	SANCHEZ DR	739	44	32,516	R - Residential/Local	A - AC	48	8.68
OLDMON	1040	OLD MONTEREY RD	SANCHEZ DR	PALOMA DR	375	20	7,500	R - Residential/Local	S - ST	66	13.58
OLDMON	1045	OLD MONTEREY RD	PALOMA DR	END	469	20	9,380	R - Residential/Local	S - ST	0	0
OEDMUN	1000	OLD W EDMUNDSON AV	DEAD END	MONTEREY RD	205	72	14,760	R - Residential/Local	A - AC	44	7.31

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OLIVEA	1010	OLIVE AV	WATSONVILLE RD	BONNER CT	1,795	19	34,105	C - Collector	A - AC	58	7.64
OLIVEA	1020	OLIVE AV	CITY LIMITS	END	1,003	21	21,067	R - Residential/Local	A - AC	71	22.95
OLYMPI	1010	OLYMPIC DR	EDMUNDSON AVE	DENALI DR	1,398	48	67,104	C - Collector	A - AC	76	14.11
ORCHAR	1010	ORCHARD CT	JASMINE WY	END	106	40	4,224	R - Residential/Local	A - AC	73	21.67
PADUA	1010	PADUA CT	MISSION AVE	CUL DE SAC	298	33	9,834	R - Residential/Local	A - AC	81	26.75
PALOMA	1010	PALOMA CT	OLD MONTEREY RD	END	438	20	8,760	R - Residential/Local	A - AC	79	30.24
PALOMI	1010	PALOMINO CT	SADDLEBACK DR	END	211	36	7,596	R - Residential/Local	A - AC	40	5.52
PARKWY	1010	PARK WY	CENTRAL AV	END	317	40	12,672	R - Residential/Local	A - AC	23	0
PEAKAV	1010	PEAK AV	WEST DUNNE AV	ALKIRE AV	898	46	41,290	C - Collector	A - AC	57	7.31
PEAKAV	1020	PEAK AV	CLAREMONT DR	W. MAIN	360	42	15,120	C - Collector	A - AC	42	3.41
PEAKAV	1030	PEAK AV	CLAREMONT DR	MARCIA DR	950	46	43,718	C - Collector	A - AC	44	3.95
PEAKAV	1040	PEAK AV	MARCIA DR	WRIGHT AV	739	46	34,003	C - Collector	A - AC	30	0.93
PEAKAV	1050	PEAK AV	W. MAIN	ALKIRE AV	671	42	28,182	C - Collector	A - AC	59	7.99
PEARDR	1010	PEAR DR	W/O HILL RD	CUL DE SAC	1,139	32	37,977	R - Residential/Local	A - AC	79	28.97
PEEBLE	1010	PEEBLES AV	MONTEREY ST	PVMT CHANGE	850	36	30,600	R - Residential/Local	A - AC	80	26.13
PEETRD	1010	PEET RD	N/O COCHRANE RD	N/O MORNING STAR	1,420	36	51,120	R - Residential/Local	A - AC	83	33.91
PEETRD	1020	PEET RD	N/O MORNING STAR DR	S/O EAGLE VIEW	1,035	36	37,260	R - Residential/Local	A - AC	82	32.35
PEPTRC	1010	PEPPERTREE CT	PEPPERTREE DR	END	211	40	8,448	R - Residential/Local	A - AC	65	16.78
PEPTRD	1010	PEPPERTREE DR	SEVILLE DR	EAST DUNNE AV	793	40	32,736	R - Residential/Local	O - AC/AC	87	34.13
PEPTRD	1020	PEPPERTREE DR	EAST DUNNE AV	JASMINE WY	845	46	38,870	R - Residential/Local	A - AC	48	8.85
PIAZZA	1010	PIAZZA WY	S/O W. EDMONSON	CUL DE SAC	439	28	12,292	R - Residential/Local	A - AC	89	31.59
PIEDMO	1010	PIEDMONT CT	WEST DUNNE AV	END	370	40	14,784	R - Residential/Local	A - AC	78	24.86
PINEWY	1010	PINE WY	EAST DUNNE AV	ASPEN WY	1,100	40	44,000	R - Residential/Local	A - AC	65	16.78
PINTOC	1010	PINTO CT	END (WEST)	END (EAST)	475	36	17,107	R - Residential/Local	A - AC	20	0
PONDER	1010	PONDEROSA CT	FOUNTAIN OAKS DR	END	317	32	10,138	R - Residential/Local	A - AC	59	14.74
PRANCE	1010	PRANCER CT	EXCALIBER DR	CUL-DE-SAC	210	37	7,770	R - Residential/Local	A - AC	89	41.64
PRATOL	1010	PRATOLA CT	WATSONVILLE RD	END	528	40	21,120	R - Residential/Local	A - AC	45	7.45
PRESEC	1010	PRESERVATION CT	END	PRESERVATION WY	211	32	6,758	R - Residential/Local	A - AC	76	23.58
PRESER	1010	PRESERVATION WY	DEL MONTE AV	END	686	32	21,965	R - Residential/Local	A - AC	74	22.31
PRICEC	1010	PRICE CT	JOHN TELFER DR	END	135	40	6,589	R - Residential/Local	A - AC	56	13

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PRICED	1010	PRICE DR	JOHN TELFER DR	125 FT E/O JOHN TELFER DR	125	40	5,000	R - Residential/Local	A - AC	43	6.44
RAILRO	1010	RAILROAD AV	CITY LIMITS	FISHER AV	845	24	20,275	R - Residential/Local	A - AC	89	31.56
RAILRO	1020	RAILROAD AV	FISHER AV	TENNANT AV	1,690	24	40,550	R - Residential/Local	A - AC	85	29.06
RAILRO	1030	RAILROAD AV	TENNANT AV	BARRETT AV	1,690	24	40,550	R - Residential/Local	A - AC	43	6.55
RAILRO	1040	RAILROAD AV	BARRETT AV	SAN PEDRO AV	1,690	38	64,220	R - Residential/Local	A - AC	59	13.96
RALPHL	1010	RALPH LEE CT	END	RINGEL DR	106	69	7,286	R - Residential/Local	A - AC	84	35.62
RANGER	1010	RANGER CT	FOUNTAIN OAKS DR	END	370	40	14,784	R - Residential/Local	A - AC	56	13
RAVENS	1010	RAVENSWOOD CT	N/O MORNING STAR	CUL DE SAC	446	32	15,957	R - Residential/Local	A - AC	81	26.75
REDTAL	1010	RED TAIL PL	PEET RD	CUL-DE-SAC	130	34	6,041	R - Residential/Local	A - AC	79	27.19
REMING	1010	REMINGTON CT	SORRELL DR	CUL-DE-SAC	241	33	7,953	R - Residential/Local	A - AC	76	26.47
RIDGEV	1010	RIDGEVIEW CT	END	JACKSON OAKS DR	634	24	15,206	R - Residential/Local	A - AC	46	7.91
RIMACT	1010	RIL MARIANNA CT	LLAGAS CREEK RD	CUL-DE-SAC	600	34	20,400	R - Residential/Local	A - AC	81	30.1
RINGEC	1010	RINGEL CT	RINGEL DR	END	158	40	6,336	R - Residential/Local	A - AC	79	25.65
RINGEL	1010	RINGEL DR	END	JUSTINO DR	897	40	35,904	R - Residential/Local	A - AC	83	34.53
RINGEL	1020	RINGEL DR	JUSTINO DR	DIANA AV	528	40	21,120	R - Residential/Local	A - AC	84	35.62
RIOGRA	1010	RIO GRANDE CT	CALLE HERMOSA	CUL-DE-SAC	235	33	7,755	R - Residential/Local	A - AC	81	26.75
RIOORO	1010	RIO ORO CT	CALLE HERMOSA	CUL-DE-SAC	160	33	5,280	R - Residential/Local	A - AC	81	26.75
ROBLED	1010A	ROBLE DR	CUL-DE-SAC	ALAMEDA DR	1,148	40	45,920	R - Residential/Local	A - AC	27	0.6
ROBLED	1010B	ROBLE DR	ALAMEDA DR	ENCINO DR	225	40	9,000	R - Residential/Local	O - AC/AC	72	24.87
ROCKYR	1010	ROCKY RIDGE RD	GREENWOOD AV	END	845	24	20,275	R - Residential/Local	A - AC	49	9.33
ROLLIN	1010	ROLLING HILLS DR	END	GREENWOOD AV	1,214	25	30,360	R - Residential/Local	A - AC	15	0
ROLLIN	1020	ROLLING HILLS DR	GREENWOOD AV	WOODLAND AV	1,426	24	34,214	R - Residential/Local	A - AC	38	4.41
ROMALC	1010	ROMAL CT	END	FOUNTAIN OAKS DR	106	41	4,330	R - Residential/Local	A - AC	61	15.07
ROSELN	1010	ROSE LN	END	PEEBLES AV	317	22	6,974	R - Residential/Local	S - ST	0	0
ROSELN	1020	ROSE LN	S/O ANGELICA WAY	END	128	36	4,608	R - Residential/Local	A - AC	70	21.89
ROSEMA	1015	ROSEMARY CIRCLE	DIANA AV	ST. ANTHONY DR	1,005	37	37,185	R - Residential/Local	A - AC	81	26.75
ROSEMA	1020	ROSEMARY CIRCLE	ST. ANTHONY DR	ST. JOSEPH DR	450	37	16,650	R - Residential/Local	A - AC	81	26.75
ROSEMA	1030	ROSEMARY CIRCLE	ST. JOSEPH DR	ROSEMARY CIR	340	37	12,580	R - Residential/Local	A - AC	81	26.75
RUSTLI	1010	RUSTLING OAK CT	EAST DUNNE AV	END	898	24	21,542	R - Residential/Local	A - AC	16	0

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SABINC	1010	SABINI CT	END	ALMOND ORCHARD DR	1,011	24	24,264	R - Residential/Local	A - AC	16	0
SABINC	1015	SABINI CT	ALMOND ORCHARD DR	385 S/O TERESA LN	460	16	7,360	R - Residential/Local	A - AC	10	0
SABINC	1025	SABINI CT	385 S/O TERESA LN	TERESA LN	385	16	6,160	R - Residential/Local	A - AC	72	21.04
SADDLE	1010	SADDLEBACK DR	EAST DUNNE AV	NORTH END	365	36	13,140	C - Collector	A - AC	75	13.65
SADDLE	1020	SADDLEBACK DR	FOUNTAIN OAKS RD	EAST DUNNE	1,336	36	48,096	C - Collector	O - AC/AC	77	22.22
SADDLH	1010	SADDLEHORN WY	CIMARRON DR	END	264	40	10,560	R - Residential/Local	A - AC	59	13.96
SAFFDR	1010	SAFFRON DRIVE	CURRY AVE	325 FT N/CURRY AVE	316	34	10,744	R - Residential/Local	A - AC	82	32.6
SAFFDR	1020	SAFFRON DRIVE	CURRY AVE	TARRAGON AVE	696	34	23,664	R - Residential/Local	A - AC	81	30.34
SAFFDR	1030	SAFFRON DRIVE	325 FT N/O CURRY AV	CUL-DE-SAC	1,066	34	38,109	R - Residential/Local	A - AC	87	30.46
SAGEAV	1010	SAGE AV	CURRY AV	CUL-DE-SAC	710	34	24,140	R - Residential/Local	A - AC	75	23.64
SANANT	1010	SAN ANTONIO DR	N/O AVENIDA DE LOS PADRES	S/O SAN ANTONIO WY	436	32	13,952	R - Residential/Local	A - AC	82	32.81
SANANT	1020	SAN ANTONIO DR	S/O SAN ANTONIO WAY	S/O SANTA INES	248	32	7,936	R - Residential/Local	A - AC	81	26.75
SANANW	1010	SAN ANTONIO WY	E/O CAPISTRANO	W/O SAN ANTONIO DR	285	32	9,120	R - Residential/Local	A - AC	80	29.74
SANBEN	1010	SAN BENITO PL	S/O SAN PEDRO	CUL DE SAC	731	32	25,239	R - Residential/Local	A - AC	81	31.75
SANCRI	1010	SAN CRISTOVAL CT	SAN RAMON DR	CUL-DE-SAC	240	33	7,920	R - Residential/Local	A - AC	81	26.75
SANGAA	1010	SAN GABRIEL AVE	E/O SAN BENITO PL	E/O SAN GABRIEL CT	258	32	8,256	R - Residential/Local	A - AC	78	27.02
SANGAC	1010	SAN GABRIEL CT	S/O SAN GABRIEL AVE	CUL DE SAC	534	29	18,094	R - Residential/Local	A - AC	88	30.83
SANJUA	1010	SAN JUAN DR	PAVE CHNG (W/O CORY DR)	115' W/ CORRY DR	550	32	17,600	R - Residential/Local	A - AC	77	28.32
SANLUI	1010	SAN LUIS WY	E/O CORY DR (S)	E/O CORY DR (N)	1,039	32	33,248	R - Residential/Local	A - AC	80	30.86
SANLUI	1020	SAN LUIS WY	E/O CORY DR	W/O SAN LUIS WAY	224	32	7,168	R - Residential/Local	A - AC	80	26.13
SANMAR	1010	SAN MARCOS CT	SAN RAMON DR	CUL-DE-SAC	185	33	6,105	R - Residential/Local	A - AC	81	26.75
SANPAB	1010	SAN PABLO CT	W/O SAN BENITO PL	CUL DE SAC	310	32	11,449	R - Residential/Local	A - AC	81	26.75
SANPED	1010	SAN PEDRO AV	MONTEREY ST	CHURCH ST	422	32	13,517	C - Collector	A - AC	11	0
SANPED	1020	SAN PEDRO AV	CHURCH ST	RAILROAD AV	898	40	35,904	C - Collector	O - AC/AC	78	23.08
SANPED	1030A	SAN PEDRO AV	RAILROAD AV	BUTTERFIELD AV	500	40	20,000	C - Collector	A - AC	75	13.65
SANPED	1030B	SAN PEDRO AV	BUTTERFIELD AV	CORY LN	556	40	22,240	C - Collector	A - AC	76	14.11
SANPED	1040	SAN PEDRO AV	CORY LN	SAN BENITO DR	581	40	23,232	C - Collector	A - AC	80	15.58
SANPED	1050	SAN PEDRO AV	SAN BENITO DR	SAN RAMON DR	898	40	35,904	C - Collector	A - AC	76	14.11

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SANPED	1060	SAN PEDRO AV	SAN RAMON DR	NINA LN	887	36	31,932	C - Collector	A - AC	36	2.28
SANPED	1070	SAN PEDRO AV	NINA LN	END	327	24	7,848	C - Collector	A - AC	58	7.65
SANPED	1080	SAN PEDRO AV	CONDIT RD	500 FT/CONDIT RD (CLL)	500	34	17,000	C - Collector	A - AC	77	14.59
SANRCT	1010	SAN RAMON CT	SAN RAMON DR	CUL-DE-SAC	380	33	12,540	R - Residential/Local	A - AC	81	26.75
SANRAM	1010	SAN RAMON DR	SAN PEDRO AVE	SAN MARCUS CT	528	40	21,120	R - Residential/Local	A - AC	49	9.33
SANRAM	1020	SAN RAMON DR	SAN RAMON CT	BARRETT AVE	230	33	7,590	R - Residential/Local	A - AC	79	30.24
SANRAM	1030	SAN RAMON DR	BARRETT AVE	ST TIMOTHY PL	245	37	9,065	R - Residential/Local	A - AC	81	26.75
SANRAM	1040	SAN RAMON DR	SAN MARCUS CT	SAN RAMON CT	799	37	29,563	R - Residential/Local	A - AC	81	26.75
SANSEB	1010	SAN SEBASTIAN PL	VIA DEL CASTILLE	END	106	24	2,534	R - Residential/Local	A - AC	35	3.6
SAVICT	1010	SAN VICENTE COURT	JUAN HERNANDEZ DR	CUL-DE-SAC	205	34	6,970	R - Residential/Local	A - AC	82	32.2
SANVIN	1010	SAN VICENTE DR	JUAN HERNANDEZ	SAN RAMON DR	358	37	13,246	R - Residential/Local	A - AC	82	33.08
SANCHE	1010	SANCHEZ DR	DEL MONTE AV	OLD MONTEREY RD	845	40	33,792	R - Residential/Local	A - AC	70	19.79
SANDAL	1010	SANDALWOOD WY	END	KATYBETH WY	573	40	22,920	R - Residential/Local	A - AC	79	25.5
SANTAI	1010	SANTA INES WY	ALCALA CT	W/O SERRA AVENIDA	799	36	28,764	R - Residential/Local	A - AC	81	26.75
SANTIA	1010	SANTIAGO PL	VIA DEL CASTILLE	END	53	75	3,975	R - Residential/Local	A - AC	57	13.65
SAVANN	1010	SAVANNAH CT	N/O MORNING STAR	CUL DE SAC	437	32	15,151	R - Residential/Local	A - AC	81	26.75
SCOTTD	1010	SCOTT DR	GLEN AYRE DR	CASTLE HILL DR	370	23	8,501	R - Residential/Local	A - AC	52	10.6
SCOTTS	1010	SCOTTS BLUFF PL	DENALI DR	CUL-DE-SAC	398	33	13,134	R - Residential/Local	A - AC	81	26.75
SECOND	1005	SECOND ST	DEL MONTE AV	W/O MONTEREY RD	535	40	21,400	R - Residential/Local	A - AC	63	17.13
SECOND	1015	SECOND ST	W/O MONTEREY	DEPOT ST	610	40	24,400	R - Residential/Local	A - AC	50	9.48
SECRET	1010	SECRETARIAT CT	N/O NATIVE DANCER DR	CUL DE SAC	457	32	16,078	R - Residential/Local	A - AC	90	42.82
SERENE	1010	SERENE DR	WALNUT GROVE DR	DIANA AV	792	48	38,016	C - Collector	A - AC	76	14.11
SERENE	1020	SERENE DR	DIANA AV	ENGLISH WALNUT WY	1,153	48	55,344	C - Collector	A - AC	80	15.58
SERENE	1030	SERENE DR	ENGLISH WALNUT WY	EAST MAIN AV	1,005	41	41,205	C - Collector	A - AC	79	15.08
SERENE	1040	SERENE DR	EAST MAIN AV	CORNICHE DR	655	30	19,650	C - Collector	A - AC	77	14.59
SERENE	1050	SERENE DR	CORNICHE DR	CENTRAL AV	348	28	9,744	C - Collector	A - AC	80	15.58
SERENE	1110	SERENE DR	JARVIS DR	SUTTER BL	950	58	55,123	C - Collector	A - AC	81	16.08
SERENE	1120	SERENE DR	JARVIS DR	DEAD END	765	56	42,840	C - Collector	A - AC	85	18.17
SERPIN	1010	SERPENTINE CT	CHRISTEPH	CUL-DE-SAC	441	33	14,553	R - Residential/Local	A - AC	79	30.24

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SERAVE	1010	SERRA AVENIDA	N/O AVENIDA DE LOS PADRES	S/O SANTA INES	594	36	21,384	R - Residential/Local	A - AC	73	23.43
SERRAA	1020	SERRA AVENIDA	S/O SANTA INES	161' N/ SANTA INES WA (PAVE CHNG)	161	36	5,796	R - Residential/Local	A - AC	83	33.91
SEVILL	1010	SEVILLE DR	MALAGA DR	END	898	40	35,904	R - Residential/Local	A - AC	85	29.57
SHADOW	1010	SHADOWBROOK WY	LLAGAS RD	END	792	40	31,680	R - Residential/Local	A - AC	58	13.41
SHADOW	1020	SHADOWBROOK WY	LLAGAS RD	LLAGAS CREEK DR	996	34	33,864	R - Residential/Local	A - AC	82	31.69
SHADLN	1010	SHADOWLANE CT	END	EASY ST	528	40	21,120	R - Residential/Local	A - AC	60	14.51
SHADYH	1010	SHADYHOLLOW DR	END	GLEN AYRE DR	686	18	12,355	R - Residential/Local	A - AC	56	12.86
SHAFER	1010	SHAFER AV	HILL RD	CONTE WY	1,205	32	38,560	R - Residential/Local	A - AC	83	27.95
SIERRA	1025	SIERRA CT	LLAGAS RD	T AT N END	230	33	7,590	R - Residential/Local	A - AC	81	26.75
SIERRA	1028	SIERRA CT	W END	E END	351	33	11,583	R - Residential/Local	A - AC	81	26.75
SIMOCT	1010	SIERRA MORENA CT	VIA DEL CASTILLE	END	158	40	6,336	R - Residential/Local	A - AC	43	6.55
SILVER	1010	SILVER CLOUD CT	END	OLIVE AV	317	40	12,672	R - Residential/Local	A - AC	65	16.78
SKIPAW	1010	SKIP AWAY CT	WHITE CLOUD DR	CUL-DE-SAC	388	33	12,804	R - Residential/Local	A - AC	88	30.86
SOLANO	1010	SOLANO CT	DE LOS PADRES	CUL DE SAC	466	33	15,378	R - Residential/Local	A - AC	81	26.75
SORRDR	1040	SORREL DR	BARRETT AVE	END	711	37	26,307	R - Residential/Local	A - AC	82	33.08
SORREL	1010	SORRELL WY	END (S)	CIMARRON DR	845	40	33,792	R - Residential/Local	A - AC	80	26.13
SORRWY	1020	SORRELL WY	CIMARRON DR	EAST DUNNE AV	950	40	38,016	R - Residential/Local	A - AC	81	26.75
SORRWY	1030	SORRELL WY	E. DUNNE AVE	NORTH DEAD END (BARRICADE)	177	37	6,549	R - Residential/Local	A - AC	79	30.24
SPARDR	1020	SPARHAWK DR	LLAGAS CREEK DR	DEAD END	545	37	20,165	R - Residential/Local	A - AC	77	27.67
SPARHA	1010	SPARHAWK WY	SPARHAWK DR	CUL-DE-SAC	261	33	8,613	R - Residential/Local	A - AC	71	22.17
SPRING	1010	SPRING AV	DEWITT AV	WILD OAK WY	950	30	28,500	C - Collector	A - AC	74	13.18
SPRING	1020	SPRING AV	WILD OAK WY	WILLOW CREEK DR	634	29	18,386	C - Collector	A - AC	79	15.08
SPRING	1030	SPRING AV	WILLOW CREEK DR	LONE HILL DR	686	28	19,208	C - Collector	A - AC	76	14.11
SPRING	1040	SPRING AV	LONE HILL DR	DEL MONTE AV	1,056	36	38,016	C - Collector	A - AC	57	7.31
SPRING	1070	SPRING AV	DEL MONTE AV	MONTEREY ST	950	40	38,016	C - Collector	A - AC	61	8.7
SPRINC	1010	SPRING HILL CT	END	END	422	40	16,896	R - Residential/Local	A - AC	67	17.97
SPRINH	1010	SPRING HILL DR	END	WILD OAK CT	898	40	35,904	R - Residential/Local	A - AC	57	13.65

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SPRINH	1020	SPRING HILL DR	WILD OAK CT	SPRING HILL CT	898	40	35,904	R - Residential/Local	A - AC	60	14.98
SPURCT	1010	SPUR CT	SORRELL WY	END	211	40	8,448	R - Residential/Local	A - AC	49	9.47
STKATH	1010	ST KATHERINE DR	S/O ALICANTE DR	N/O ESPANA WY	815	36	29,340	R - Residential/Local	A - AC	86	30.04
STMARA	1010	ST MARKS AVE	W/O COCHRANE RD	S/O ST KATHERINE DR	1,275	24	30,600	R - Residential/Local	A - AC	79	25.5
STMARC	1010	ST MARKS CT	W/O ST MARKS AVE	CUL DE SAC	194	25	6,780	R - Residential/Local	A - AC	81	26.75
STANTH	1010	ST. ANTHONY DR	ROSEMARY CIR	DEAD END	119	33	3,927	R - Residential/Local	A - AC	82	33.16
STJAME	1010	ST. JAMES DR	JUAN HERNANDEZ	116' W/ ST LAWRENCE DR	494	37	18,278	R - Residential/Local	A - AC	78	24.86
STJOSE	1010	ST. JOSEPH DR	DIANA AVE	ROSEMARY CIR	230	37	8,510	R - Residential/Local	A - AC	78	29.01
STLAWR	1020	ST. LAWRENCE DR	ST. TIMOTHY PL	ST. JAMES DR	542	37	20,054	R - Residential/Local	A - AC	81	26.75
STMICH	1010	ST. MICHAEL PL	ST. LAWRENCE	CUL-DE-SAC	312	37	11,544	R - Residential/Local	A - AC	81	26.75
STTIMO	1010	ST. TIMOTHY PL	SAN RAMONE DR	CUL-DE-SAC (E)	438	37	16,206	R - Residential/Local	A - AC	81	26.75
STONEG	1010	STONE GATE CT	END	SUNNYSIDE AV	422	40	16,896	R - Residential/Local	A - AC	81	26.75
SUNDAN	1010	SUNDANCE DR	HILL RD	END	792	40	31,680	R - Residential/Local	A - AC	77	24.22
SUNNYB	1010	SUNNYBROOK CT	END	EASY ST	370	40	14,784	R - Residential/Local	A - AC	59	13.96
SUNNYS	1010	SUNNYSIDE AV	COUNTY MARKER	STONE GATE CT	686	24	18,586	A - Arterial	O - AC/AC	79	22.04
SUNNYS	1020	SUNNYSIDE AV	STONE GATE CT	APPIAN WY	633	28	17,741	A - Arterial	O - AC/AC	72	17.58
SUNNYS	1030	SUNNYSIDE AV	APPIAN WY	CASINO REAL	1,637	30	49,104	A - Arterial	O - AC/AC	74	18.98
SUNNYS	1040	SUNNYSIDE AV	CASINO REAL	COUNTY MARKER	634	32	16,896	A - Arterial	O - AC/AC	83	24.59
SUNSET	1010	SUNSET AV	BRYCE DR	DENALI DR	739	30	22,170	C - Collector	A - AC	80	15.58
SUNSHI	1010	SUNSHINE ST	SANTA TERESA BL	EASY ST	370	40	14,784	R - Residential/Local	A - AC	71	20.41
SUTTER	1000	SUTTER BL	BUTTERFIELD BLVD.	#18305 SUTTER BL	928	86	79,808	R - Residential/Local	A - AC	89	31.49
SUTTER	1010	SUTTER BL	#18305 SUTTER BL	SERENE DR	475	67	31,825	R - Residential/Local	A - AC	87	30.46
SUTTER	1020	SUTTER BL	SERENE DR	JARVIS DR	1,320	67	88,440	A - Arterial	A - AC	45	5.6
SUTTER	1030	SUTTER BL	JARVIS DR	COCHRANE RD	739	67	49,513	A - Arterial	A - AC	39	3.6
SUTTER	1040	SUTTER BL	COCHRANE RD	WOODVIEW AV	686	46	31,556	R - Residential/Local	A - AC	53	11.68
SUTTPL	1010	SUTTER PL	DIGITAL DR	END	225	34	7,650	C - Collector	A - AC	80	16.98
SWORDD	1010	SWORD DANCER CT	VENETIAN WY	END	370	32	11,827	R - Residential/Local	A - AC	52	10.31
TALBOT	1020	TALBOT DR	N/O CALLE SIENA	S/O LANCIA DR	380	37	14,060	R - Residential/Local	A - AC	78	28.93
TARRAV	1010	TARRAGON AV	SAFRON DR	CUL-DE-SAC	1,009	34	34,306	R - Residential/Local	A - AC	79	27.44

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TEAKCT	1010	TEAK CT	END	PINE WY	106	40	4,224	R - Residential/Local	A - AC	54	11.31
TECHNO	1010	TECHNOLOGY DR	JARVIS DR	SERENE DR	1,783	37	65,971	C - Collector	A - AC	77	14.59
TENNAN	1010	TENNANT AV	MONTEREY ST	VINEYARD BLVD	1,705	54	92,070	A - Arterial	A - AC	64	12.23
TENNAN	1020	TENNANT AV	VINEYARD BLVD	RAILROAD AV	594	72	42,768	A - Arterial	O - AC/AC	45	5.5
TENNAN	1030	TENNANT AV	RAILROAD AV	CAPUTO DR	813	72	58,536	A - Arterial	O - AC/AC	76	19.54
TENNAN	1040	TENNANT AV	CAPUTO DR	ANT CT	1,242	72	89,424	A - Arterial	O - AC/AC	79	21.5
TERESA	1005	TERESA LN	CUL-DE-SAC	CURB AND GUTTER	860	29	24,940	R - Residential/Local	A - AC	65	18.84
TERESA	1015	TERESA LN	CURB AND GUTTER	SABINI CT	460	29	13,340	R - Residential/Local	A - AC	58	13.84
TERESA	1020	TERESA LN	SABINI CT	LLAGAS RD	528	29	15,312	R - Residential/Local	A - AC	70	19.79
THIRDS	1011	THIRD ST	DEL MONTE AV	LITTLE LLAGAS BRIDGE	377	60	22,620	R - Residential/Local	A - AC	17	0
THIRDS	1012	THIRD ST	LITTLE LLAGAS BRIDGE	MONTEREY ST	190	60	11,400	R - Residential/Local	O - AC/AC	73	22.02
THIRDS	1013	THIRD ST	MONTEREY ST	DEPOT ST	560	60	33,600	R - Residential/Local	A - AC	72	23.6
THOMAS	1010	THOMAS GRADE	EAST DUNNE AV	EAST DUNNE AV	5,069	25	126,720	R - Residential/Local	A - AC	38	4.41
THYMAV	1010A	THYME AV	MARJORAM DR	CUL-DE-SAC (WEST END)	234	34	7,956	R - Residential/Local	A - AC	75	23.64
THYMAV	1010B	THYME AV	MARJORAM DR	CUL-DE-SAC (EAST END)	396	34	13,464	R - Residential/Local	A - AC	76	24.84
TILTON	1010	TILTON AV	CITY LIMITS	DOUGHERTY AV	475	26	12,355	R - Residential/Local	A - AC	72	21.04
TILTON	1020	TILTON AV	DOUGHERTY AV	MONTEREY ST	1,056	26	27,456	R - Residential/Local	A - AC	84	28.52
TOLUSA	1010	TOLUSA CT	DE LOS PADRES	CUL DE SAC	436	33	14,388	R - Residential/Local	A - AC	81	26.75
TORREY	1010	TORREY CT	FARALLON DR	END	422	30	12,672	R - Residential/Local	A - AC	27	0.54
TRAILD	1010	TRAIL DR	BARRETT AV	END (135' S/O MIRA BELLA)	584	36	21,024	C - Collector	A - AC	68	11.02
TRAILD	1020	TRAIL DR	PVT CHG	BARRETT AV	691	36	24,876	A - Arterial	A - AC	76	17.26
TRAILD	1030	TRAIL DR	CERRO VISTA DR	PVT CHG	454	36	16,344	C - Collector	A - AC	72	12.29
TRAILD	1040	TRAIL DR	CERRO VISTA DR	FOUNTAIN OAKS DR	897	40	35,904	C - Collector	A - AC	67	10.61
TRUMPP	1010	TRUMPP CT	MARCIA DR	END	200	28	5,600	R - Residential/Local	A - AC	76	23.58
VALLEY	1010	VALLEY VIEW CT	END	OAK LEAF DR	370	24	8,870	R - Residential/Local	A - AC	80	26.13
VENETI	1010	VENETIAN WY	WATSONVILLE RD	CITATION CT	1,109	36	39,924	R - Residential/Local	A - AC	60	14.51
VENETI	1040	VENETIAN WY	CITATION CT	VENETIAN WY	1,214	40	48,576	R - Residential/Local	A - AC	66	17.37

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VIACAS	1010A	VIA CASTANA DR	VIA DEL CASTILLE	135 FT N/O ENCINO DR	655	40	26,200	R - Residential/Local	A - AC	24	0
VIACAS	1010B	VIA CASTANA DR	135 FT N/O ENCINO DR	VIA CASTANA CT	505	40	20,200	R - Residential/Local	A - AC	74	22.3
VIACOR	1010	VIA CORFINO	WATSONVILLE RD	LA ROCCA DR	850	36	30,600	R - Residential/Local	A - AC	65	18.76
VIANIN	1010	VIA DE NINOS WY	LA MAR DR	LA ARBOLEDA	840	37	31,080	R - Residential/Local	A - AC	77	27.67
VIADEL	1010	VIA DEL CASTILLE	SUNNYSIDE AV	VIA CASTANA DR	1,267	40	50,688	R - Residential/Local	A - AC	48	8.85
VIADEL	1050	VIA DEL CASTILLE	VIA CASTANA DR	ALAMO DR	1,056	40	42,240	R - Residential/Local	A - AC	35	3.6
VIAEDU	1010	VIA EDUARDO	APPIAN WY	END	158	32	5,069	R - Residential/Local	A - AC	77	24.22
VIAGRA	1010	VIA GRANDE	END	DEWITT AV	898	40	35,904	R - Residential/Local	A - AC	57	12.88
VIALAR	1010	VIA LARGO	LA JOLLA	CUL-DE-SAC	835	37	30,895	R - Residential/Local	A - AC	79	25.5
VIALOM	1010	VIA LOMA	MURPHY SPRINGS DR	HALE AV	1,161	40	46,464	R - Residential/Local	A - AC	41	5.66
VIANOR	1010	VIA NARETTO	W/O CALLE SUENO	CUL DE SAC	482	32	17,526	R - Residential/Local	A - AC	81	31.78
VIASOR	1010	VIA SORRENTO	WATSONVILLE RD	WATSONVILLE RD	1,479	37	54,723	R - Residential/Local	A - AC	83	34.44
VIAVEN	1010	VIA VENETO	APPIAN WY	END	211	32	6,758	R - Residential/Local	A - AC	77	24.22
VILLAN	1010	VILLA NAVONA WY	VIA DE NINOS	LA JOLLA DR	518	37	19,166	R - Residential/Local	A - AC	81	26.75
VINEYA	1010A	VINEYARD BL	LA CROSSE DR	MONTEREY ST	1,003	36	36,108	C - Collector	A - AC	35	2.03
VINEYA	1010B	VINEYARD BL	MONTEREY ST	LA CROSSE DR	1,003	36	36,108	C - Collector	A - AC	57	7.31
VINEYA	1020	VINEYARD BL	MONTEREY ST	CONCORD CR	1,108	61	61,142	C - Collector	O - AC/AC	79	22.01
VINEYA	1030	VINEYARD BL	CONCORD CR	TENNANT AV	845	60	50,688	C - Collector	O - AC/AC	87	31.77
VINEYA	1040	VINEYARD BL	TENNANT AV	VINEYARD CT	951	36	34,236	R - Residential/Local	A - AC	48	8.68
VINEYA	1050	VINEYARD BL	VINEYARD CT	MAST ST	1,478	40	59,136	R - Residential/Local	A - AC	52	10.87
VINEYC	1060	VINEYARD CT	END	VINEYARD BL	422	40	16,896	R - Residential/Local	A - AC	79	25.5
VISTCT	1010	VISTA CT	END	MUNRO WY	264	40	10,560	R - Residential/Local	A - AC	76	23.58
VISTDE	1010	VISTA DEL VALLE	TRAIL DR	END	1,267	38	48,154	R - Residential/Local	A - AC	71	20.41
VISTDC	1010	VISTA DEL VALLE CT	END	VISTA DEL VALLE	211	28	5,914	R - Residential/Local	A - AC	65	16.78
WDUNNE	1010	W DUNNE AV	END	JOHN TELFER DR	1,003	20	20,060	R - Residential/Local	A - AC	66	17.37
WDUNNE	1020	W DUNNE AV	JOHN TELFER DR	DEWITT AV	1,056	46	48,576	R - Residential/Local	A - AC	77	24.22
WDUNNE	1030	W DUNNE AV	DEWITT AV	EVERGREEN DR	898	40	35,904	C - Collector	O - AC/AC	84	25.72
WDUNNE	1040	W DUNNE AV	EVERGREEN DR	DEL MONTE AV	1,056	38	40,128	A - Arterial	A - AC	85	21.5
WDUNNE	1050	W DUNNE AV	DEL MONTE AV	MONTEREY ST	686	58	39,811	A - Arterial	O - AC/AC	84	25.04
WEDMUN	1010	W EDMUNDSON AV	COUNTY MARKER	PARK ENTRANCE	1,004	48	39,283	A - Arterial	A - AC	84	21.24

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WEDMUN	1020	W EDMUNDSON AV	PARK ENTRANCE	MONTEREY ST	1,056	72	76,032	A - Arterial	A - AC	72	15.85
WALNUT	1010	WALNUT GROVE DR	BLACK WALNUT WY	ENGLISH WALNUT WY	792	40	31,680	R - Residential/Local	A - AC	64	17.76
WALNUT	1020	WALNUT GROVE DR	WALNUT GROVE DR	DIANA AV	663	48	31,824	R - Residential/Local	A - AC	79	25.5
WALNUT	1030	WALNUT GROVE DR	DIANA AV	END (S)	807	48	38,736	R - Residential/Local	A - AC	79	25.5
WALNUT	1110	WALNUT GROVE DR	EAST DUNNE AV	1263 FT S/O EAST DUNNE AV	1,263	37	46,731	R - Residential/Local	A - AC	74	22.31
WALNUT	1120	WALNUT GROVE DR	E DUNNE AVE	CUL-DE-SAC	1,169	39	45,591	R - Residential/Local	A - AC	79	25.5
WARREN	1012	WARREN AV	HALE AVE	DEL MONTE AVE	635	37	23,495	R - Residential/Local	A - AC	75	22.94
WATER	1010	WATERTON CT	DENALI DR	CUL-DE-SAC	383	33	12,639	R - Residential/Local	A - AC	81	26.75
WATSON	1010	WATSONVILLE RD	CITY LIMITS	PRATOLA CT	951	80	46,464	A - Arterial	O - AC/AC	90	28.04
WATSON	1020	WATSONVILLE RD	PRATOLA CT	VIA SORRENTO	1,056	80	56,602	A - Arterial	O - AC/AC	90	28.04
WATSON	1030	WATSONVILLE RD	VIA SORRENTO	CALLE ENRIQUE	1,162	59	68,558	A - Arterial	O - AC/AC	90	28.04
WATSON	1040A	WATSONVILLE RD	CALLE ENRIQUE	594 FT W/MONTEREY ST	1,782	59	105,138	A - Arterial	O - AC/AC	90	28.04
WATSON	1040B	WATSONVILLE RD	594 FT W/MONTEREY ST	MONTEREY ST	594	30	17,820	A - Arterial	O - AC/AC	90	28.04
WEICHE	1010	WEICHERT DR	BELLETO DR	DEAD END	210	37	7,770	R - Residential/Local	A - AC	81	26.75
WMAINA	1010	WEST MAIN AV	JOHN TELFER DR	DEWITT AV	950	43	40,867	R - Residential/Local	A - AC	61	15.06
WMAINA	1020	WEST MAIN AV	DEWITT AV	PEAK AV	686	43	29,515	R - Residential/Local	A - AC	55	11.83
WMAINA	1030	WEST MAIN AV	PEAK AV	CREST AV	713	43	30,659	C - Collector	O - AC/AC	93	29.71
WMAINA	1040	WEST MAIN AV	CREST AV	HALE AV	634	43	27,245	C - Collector	O - AC/AC	93	29.71
WMAINA	1050	WEST MAIN AV	HALE AV	DEL MONTE AV	686	44	30,202	A - Arterial	O - AC/AC	93	29.04
WMAINA	1060	WEST MAIN AV	DEL MONTE AV	MONTEREY ST	616	44	27,104	A - Arterial	O - AC/AC	93	29.04
WMIDDL	1010	WEST MIDDLE AV	WOODLAND ESTATES CT	CITY LIMIT (NE/ OLIVE AV)	1,900	40	76,000	C - Collector	A - AC	43	3.68
WHITEC	1010	WHITE CLOUD CT	EXCALIBER DR	CUL-DE-SAC	529	37	19,573	R - Residential/Local	A - AC	88	30.86
WHITDR	1020	WHITE CLOUD DR	EXCALIBER DR	EXCALIBER DR	1,922	37	71,114	R - Residential/Local	A - AC	89	41.64
WHITEO	1010	WHITE OAK CT	JACKSON OAKS DR	END	1,162	24	27,878	R - Residential/Local	A - AC	51	10.03
WHITNE	1010	WHITNEY WY	SUNSET AV	OLYMPIC DR	393	37	14,541	R - Residential/Local	A - AC	81	26.75
WILDOC	1010	WILD OAK CT	SPRING HILL DR	END	158	44	6,970	R - Residential/Local	A - AC	76	23.58
WILDOW	1010	WILD OAK WY	SPRING AV	SPRING HILL DR	211	40	8,448	R - Residential/Local	A - AC	59	14.3

Section PCI/RSL Listing

Printed: 03/01/2016

Street ID	Section ID	Street Name	From	To	Length	Width	Area	Functional Class	Surface Type	Current PCI	Remaining Life
WILLCR	1010	WILLOW CREEK DR	SPRING AV	CHARGIN WY	581	40	23,232	R - Residential/Local	A - AC	64	17.88
WILLOW	1010	WILLOW CT	BLUEBONNET WY	END	106	40	4,224	R - Residential/Local	A - AC	54	11.31
WICRWY	1010	WINTER CREEK WY	SHADOW BROOK	CARRIAGE	315	34	10,710	R - Residential/Local	A - AC	82	31.69
WOODLA	1010	WOODLAND AV	ROLLING HILLS DR	WOODLAND CT	2,640	26	68,640	R - Residential/Local	A - AC	26	0.21
WOODLA	1020	WOODLAND AV	WOODLAND CT	LLAGAS RD	264	27	7,128	R - Residential/Local	A - AC	39	5.08
WOODLC	1010	WOODLAND CT	END	WOODLAND AV	264	24	6,336	R - Residential/Local	A - AC	32	2.41
WOODVI	1010	WOODVIEW AV	COCHRANE RD	550 FT W/O MADRONE PKWY	1,425	46	65,550	R - Residential/Local	A - AC	36	3.77
WRIGHT	1010	WRIGHT AV	END	PEAK AV	528	30	15,840	R - Residential/Local	A - AC	41	5.68
WRIGHT	1020	WRIGHT AV	PEAK AV	OAKGROVE DR	1,003	46	41,395	C - Collector	A - AC	35	1.88
WRIGHT	1030	WRIGHT AV	OAKGROVE DR	DEL MONTE ST	951	45	43,402	C - Collector	A - AC	64	9.44
WRIGHT	1040	WRIGHT AV	DEL MONTE ST	MONTEREY ST	581	46	26,717	C - Collector	A - AC	50	5.4
YELLOW	1010	YELLOWSTONE WY	SUNSET AV	OLYMPIC DR	393	37	14,541	R - Residential/Local	A - AC	81	26.75
ZINFCR	1010	ZINFANDEL CR	DOMAINE DR	ZINFANEL CR	1,500	34	51,000	R - Residential/Local	A - AC	81	30.19

Total Section Length:	622,478
Total Section Area:	24,872,275

Appendix F: Section List for Treatment from Recommended Budget Scenario

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year	Budget	PM	Year	Budget	PM	Year	Budget	PM
2017	$5,400,000	16.5%	2019	$5,400,000	16.5%	2021	$5,400,000	16.5%
2018	$5,400,000	16.5%	2020	$5,400,000	4%			

Year: 2017

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
OAK CANYON DR	JACKSON OAKS DR	END	OAKCAN	1010	950	25	23,760	8/12/2013	R	AC	78	$21,912	16,827	CAPE SEAL
ROSE LN	S/O ANGELICA WAY	END	ROSELN	1020	128	36	4,608	8/12/2013	R	AC	78	$4,250	14,917	CAPE SEAL
								Treatment Total				$26,162		
DIGITAL DRIVE	BUTTERFIELD BLVD	BUTTERFIELD BLVD	DIGIDR	1010	2,280	34	77,520	8/12/2013	C	AC	100	$198,193	19,574	2 IN AC OVERLAY
E EDMUNDSON AV	MONTEREY ST	CHURCH ST	EDMUND	1010	634	40	25,344	8/12/2013	A	AC	100	$84,480	20,020	2 IN AC OVERLAY
EAST DUNNE AV	MONTEREY ST	RAILROAD X	EDUNNE	1010	950	58	47,520	8/12/2013	A	AC	100	$158,400	20,020	2 IN AC OVERLAY
EAST DUNNE AV	HILL RD	PVT CHG 356' E/O SORRELL WY	EDUNNE	1100	1,650	87	143,550	8/12/2013	A	AC/AC	100	$478,500	19,756	2 IN AC OVERLAY
EAST DUNNE AV	SADDLEBACK DR	GALLOP DR	EDUNNE	1120	897	58	52,026	8/12/2013	A	AC	100	$173,420	20,020	2 IN AC OVERLAY
MONTEREY ST	BURNETT AV	CITY LIMITS	MONTER	1200	1,215	72	87,480	8/12/2013	A	AC	100	$291,600	19,643	2 IN AC OVERLAY
WRIGHT AV	OAKGROVE DR	DEL MONTE ST	WRIGHT	1030	951	45	43,402	8/12/2013	C	AC	100	$110,965	20,216	2 IN AC OVERLAY
								Treatment Total				$1,495,558		
HILL RD	EAST DUNNE AV	KATYBETH WY	HILLRD	1030	1,109	49	54,341	8/12/2013	A	AC	100	$218,874	20,178	2 IN AC OVERLAY W/ FABRIC
MONTEREY ST	EAST MIDDLE AV	WEST MIDDLE AV	MONTER	1010	1,478	75	110,850	8/12/2013	A	AC/AC	100	$446,480	20,352	2 IN AC OVERLAY W/ FABRIC
MONTEREY ST	TENNANT AV	BARRETT AV	MONTER	1060	1,630	80	130,400	8/12/2013	A	AC/AC	100	$525,223	19,667	2 IN AC OVERLAY W/ FABRIC
MONTEREY ST	SAN PEDRO AV	MYRTLE AV	MONTER	1090	1,214	91	110,474	8/12/2013	A	AC/AC	100	$444,965	19,826	2 IN AC OVERLAY W/ FABRIC
MONTEREY ST	COCHRANE RD	COCHRANE CIR	MONTER	1170	950	84	79,800	8/12/2013	A	AC	100	$321,417	20,149	2 IN AC OVERLAY W/ FABRIC
MONTEREY ST	PEEBLES AV	BURNETT AV	MONTER	1190	1,478	84	124,152	8/12/2013	A	AC	100	$500,057	20,071	2 IN AC OVERLAY W/ FABRIC
SUTTER BL	SERENE DR	JARVIS DR	SUTTER	1020	1,320	67	88,440	8/12/2013	A	AC	100	$356,217	20,183	2 IN AC OVERLAY W/ FABRIC
TENNANT AV	VINEYARD BLVD	RAILROAD AV	TENNAN	1020	594	72	42,768	8/12/2013	A	AC/AC	100	$172,260	20,364	2 IN AC OVERLAY W/ FABRIC

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Treatment Total $2,985,493

ADAIR CT	CHRISTEPH DR	CUL-DE-SAC	ADAIRC	1010	178	33	5,874	8/12/2013	R	AC	83	$1,384	66,920	SLURRY SEAL - TYPE II
BELLETO DR	BENTLEY DR	E. MAIN AVE	BELLET	1010	342	37	12,654	8/12/2013	R	AC	87	$2,981	74,368	SLURRY SEAL - TYPE II
BELLINI WY	LA ROCCA CT	EXCALIBER DR	BELLWY	1010	975	34	33,150	8/12/2013	R	AC	87	$7,809	63,041	SLURRY SEAL - TYPE II
BENTLEY DR	LANCIA DR	CUL-DE-SAC N. OF CORNICHE DR	BENTLE	1010	875	37	33,780	8/12/2013	R	AC	87	$7,958	74,368	SLURRY SEAL - TYPE II
BRIX WY	N/O DOMAINE DR	S/O E. DUNNE AVE	BRIXWY	1010	155	37	5,735	8/12/2013	R	AC	83	$1,351	62,079	SLURRY SEAL - TYPE II
BUGATTI PL	BELLETO DR	CUL-DE-SAC	BUGATT	1010	155	33	5,115	8/12/2013	R	AC	85	$1,205	71,785	SLURRY SEAL - TYPE II
BUTTERFIELD BLVD.	E. MAIN AVE	E. DUNNE AVE	BUTTER	1020	2,701	58	156,658	10/12/2011	A	AC/AC	89	$47,868	62,514	SLURRY SEAL - TYPE II
CALLE HERMOSA	E. CENTRAL AVE	CALLE BUENA VISTA	CALHER	1020	720	33	23,760	8/12/2013	R	AC	82	$5,597	64,706	SLURRY SEAL - TYPE II
CALICO CT	SORRELL DR	CUL-DE-SAC	CALICO	1010	218	33	7,194	8/12/2013	R	AC	87	$1,695	74,368	SLURRY SEAL - TYPE II
CALLE CENTRAL	E. CENTRAL AV	CALLE TIERA	CALLEC	1020	784	37	29,008	8/12/2013	R	AC	82	$6,833	64,706	SLURRY SEAL - TYPE II
CALLE FLORENCIA	CUL-DE-SAC OFF GRAND PRIX	CUL-DE-SAC WEST	CALLEF	1010	657	33	21,681	8/12/2013	R	AC	88	$5,108	77,014	SLURRY SEAL - TYPE II
CALLE CERRO	CALLE MAZATAN	END	CALLEO	1010	809	33	26,697	8/12/2013	R	AC	85	$6,289	71,785	SLURRY SEAL - TYPE II
CALLE SIENNA	365 FT E/O GRAND PRIX	CUL-DE-SAC WEST	CALLES	1010	615	33	21,988	8/12/2013	R	AC	88	$5,180	77,014	SLURRY SEAL - TYPE II
CALLE SUENO	N/O WATSONVILLE RD	N/O VIA NARRETTO	CALSUE	1010	446	29	12,934	8/12/2013	R	AC	85	$3,047	64,614	SLURRY SEAL - TYPE II
CALLE VIENTO	170' W/O CALLE TIERRA (PAVE CHANGE)	CALLE TIERRA	CALVIE	1010	1,153	32	36,896	8/12/2013	R	AC	85	$8,692	64,706	SLURRY SEAL - TYPE II
CARMELO CT	MISSION AVE	CUL-DE-SAC	CAMELO	1010	369	33	12,177	8/12/2013	R	AC	87	$2,869	74,368	SLURRY SEAL - TYPE II
CAPISTRANO WY	DE LOS PADRES	SANTA INES WAY	CAPIST	1010	843	37	31,191	8/12/2013	R	AC	87	$7,348	74,368	SLURRY SEAL - TYPE II
CASCADE CT	OLYMPIC DR	CUL-DE-SAC	CASCAD	1010	510	33	16,830	8/12/2013	R	AC	88	$3,965	77,014	SLURRY SEAL - TYPE II
CHEYENNE CT	N/O MORNING STAR	CUL DE SAC	CHEYEN	1010	435	32	15,605	8/12/2013	R	AC	88	$3,676	75,075	SLURRY SEAL - TYPE II
CHINOOK CT	S/O EAGLE VIEW	CUL DE SAC	CHINOO	1010	499	32	17,422	8/12/2013	R	AC	88	$4,104	69,406	SLURRY SEAL - TYPE II
CLARET DR	E. DUNNE	DOMAINE CT	CLARDR	1010	213	34	7,242	8/12/2013	R	AC	88	$1,706	64,037	SLURRY SEAL - TYPE II
COCHRANE RD	ST MARKS AV	1378 E/O ST MARKS AV	COCHRA	1090	1,378	30	41,340	8/12/2013	A	AC	86	$12,632	79,018	SLURRY SEAL - TYPE II
CORIANDER AV	SAFFRON AV	DOUGHERTY AV	CORIAV	1005	755	34	25,670	8/12/2013	R	AC	92	$6,047	69,683	SLURRY SEAL - TYPE II
CORNICHE DR	BENTLEY DR	SERENE DR	CORNIC	1010	298	33	9,834	8/12/2013	R	AC	87	$2,317	74,368	SLURRY SEAL - TYPE II
CORSA PL	E/O BELLATO DR	CUL DE SAC	CORSAP	1010	109	35	5,137	8/12/2013	R	AC	85	$1,211	69,540	SLURRY SEAL - TYPE II
DAKOTA DR	LOTUS WAY	DEAD END	DAKOTA	1010	215	28	6,020	8/12/2013	R	AC	84	$1,419	69,331	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2017

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
DALE HOLLOW CT	S/O SPRING AVE	CUL DE SAC	DALEHO	1010	358	32	12,985	8/12/2013	R	AC	85	$3,059	62,749	SLURRY SEAL - TYPE II
CALLE DEL SOL WY	CALLE CABEZAL	CUL-DE-SAC	DELSOL	1010	1,065	36	39,817	8/12/2013	R	AC	85	$9,380	71,785	SLURRY SEAL - TYPE II
DENALI DR	COSMO AVE	OLYMPIC DR	DENALI	1010	793	48	38,064	8/12/2013	R	AC	87	$8,967	74,368	SLURRY SEAL - TYPE II
DOMAINE CT	E/O MALBEC DR	CUL DE SAC	DOMAIC	1010	272	32	10,311	8/12/2013	R	AC	88	$2,429	71,260	SLURRY SEAL - TYPE II
DOMAINE DR	BRIX WY	MALBEC DR	DOMAID	1010	157	32	5,024	8/12/2013	R	AC	85	$1,184	64,088	SLURRY SEAL - TYPE II
DOUGHERTY AV	N/O BASIL	CURRY AV	DOUGHE	1025	310	34	10,540	8/12/2013	R	AC	87	$2,483	62,413	SLURRY SEAL - TYPE II
EAGLE SPRINGS CT	LLAGAS CREEK DR	CUL-DE-SAC	EAGLES	1020	171	33	5,643	8/12/2013	R	AC	88	$1,330	77,014	SLURRY SEAL - TYPE II
EAST CENTRAL AVE	CALLE MAZATAN	265 FT W/O ASTON CT	ECENRT	1020	1,300	48	62,400	8/12/2013	R	AC	86	$14,699	72,173	SLURRY SEAL - TYPE II
EAST CENTRAL AVE	265 FT W/O ASTON CT	E/O LANCIA DR	ECENRT	1025	735	48	35,280	8/12/2013	R	AC	86	$8,311	72,173	SLURRY SEAL - TYPE II
EAST CENTRAL AVE	W/O BUTTERFIELD	CUL DE SAC	ECENTR	1010	449	29	13,534	8/12/2013	R	AC	88	$3,189	69,371	SLURRY SEAL - TYPE II
EAST MAIN AV	MONTEREY ST	RR CROSSING	EMAINA	1010	738	46	35,904	8/12/2013	A	AC/AC	83	$10,971	68,623	SLURRY SEAL - TYPE II
EAST MAIN AV	GRAND PRIX WY	CARRIAGE LAMP WY	EMAINA	1040	950	51	48,450	8/12/2013	A	AC/AC	83	$14,805	68,623	SLURRY SEAL - TYPE II
EAST MAIN AV	CARRIAGE LAMP WY	BELLETO DR	EMAINA	1051A	325	51	16,575	8/12/2013	A	AC/AC	86	$5,065	74,649	SLURRY SEAL - TYPE II
EAGLE VIEW DR	N/O MORNING STAR DR	W/O PEET DR	EVIEWD	1010	2,305	36	82,980	8/12/2013	R	AC	87	$19,547	72,288	SLURRY SEAL - TYPE II
EXCALIBER DR	BELLINI WY	WATSONVILLE RD	EXCADR	1010	150	34	5,100	8/12/2013	R	AC	87	$1,202	63,041	SLURRY SEAL - TYPE II
FENNEL CT	DOUGHERTY AV	CUL-DE-SAC	FENNCT	1010	473	34	17,947	8/12/2013	R	AC	91	$4,228	67,724	SLURRY SEAL - TYPE II
FOUNTAIN OAKS DR	FELIZ CT	BUCKSKIN CT	FOUNTA	1020	898	40	35,920	8/12/2013	C	AC/AC	86	$10,976	76,599	SLURRY SEAL - TYPE II
FOUNTAIN OAKS DR	BUCKSKIN CT	TRAIL DR	FOUNTA	1030	897	40	35,904	8/12/2013	C	AC/AC	86	$10,971	76,599	SLURRY SEAL - TYPE II
GINGER WY	W/O TAYLOR AVE	END	GINGER	1010	275	30	8,250	8/12/2013	R	AC	88	$1,944	77,357	SLURRY SEAL - TYPE II
HEIDI CT	END	HEIDI DR	HEIDIC	1010	158	59	9,346	8/12/2013	R	AC/AC	88	$2,202	73,394	SLURRY SEAL - TYPE II
HEIDI DR	PEAK AV	CREST AV	HEIDID	1010	634	40	25,344	8/12/2013	R	AC/AC	87	$5,970	71,223	SLURRY SEAL - TYPE II
JOHN WILSON WY	W/O MONTEREY ST	END	JOHNWI	1010	762	29	22,098	8/12/2013	R	AC	88	$5,206	76,745	SLURRY SEAL - TYPE II
JUSTINO DR	RINGEL DR	CITY LIMITS	JUSTIN	1010	205	40	8,200	10/24/2008	R	AC	90	$1,932	74,940	SLURRY SEAL - TYPE II
KAY SPRINGS CT	CHRISTEPH DR	CUL-DE-SAC	KAYSPR	1010	232	33	7,656	8/12/2013	R	AC	88	$1,804	77,014	SLURRY SEAL - TYPE II
LA ARBOLEDA WY	WATSONVILLE RD	END	LAARBO	1010	1,021	37	37,777	8/12/2013	R	AC	88	$8,899	77,014	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2017

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
LANCIA DR	S/O EAST CENTRAL AVE	CUL-DE-SAC S. OF BENTLEY DR	LANCIA	1010	915	37	33,855	8/12/2013	R	AC	85	$7,975	71,785	SLURRY SEAL - TYPE II
LEGEND CT	S/O EAGLE VIEW	CUL DE SAC	LEGEND	1010	501	32	17,717	8/12/2013	R	AC	88	$4,174	74,750	SLURRY SEAL - TYPE II
LLAGAS CREEK DR	NW DEAD END	LLAGAS RD	LLAGCR	1010	813	36	29,268	8/12/2013	R	AC	87	$6,895	74,368	SLURRY SEAL - TYPE II
LLAGAS CREEK DR	LLAGAS RD	SE DEAD END	LLAGCR	1020	638	36	22,968	8/12/2013	R	AC	85	$5,411	71,785	SLURRY SEAL - TYPE II
LLAGAS VISTA DR	LLAGAS CREEK RD	CUL-DE-SAC	LLAGVI	1010	947	37	35,039	8/12/2013	R	AC	84	$8,254	69,331	SLURRY SEAL - TYPE II
LONGVIEW DR	PEAK AV	CREST AV	LONGVI	1010	686	30	20,592	8/12/2013	R	AC/AC	85	$4,851	64,526	SLURRY SEAL - TYPE II
LONGVIEW DR	CREST AV	HALE AV	LONGVI	1020	634	30	19,008	8/12/2013	R	AC/AC	88	$4,478	70,744	SLURRY SEAL - TYPE II
MAGNOLIA WY	E. DUNNE AVE	SADDLEBACK DR	MAGNOL	1010	795	33	26,235	8/12/2013	R	AC	84	$6,180	69,331	SLURRY SEAL - TYPE II
MAJORCA DR	MALAGA DR	MARBELLA CT	MAJORC	1010	792	40	31,680	9/29/2008	R	AC	90	$7,463	74,986	SLURRY SEAL - TYPE II
MALAGA DR	SEVILLE DR	EAST DUNNE AV	MALAGA	1010	687	40	27,456	9/29/2008	R	AC	89	$6,468	75,768	SLURRY SEAL - TYPE II
MALAGA CT	MALAGA DR	END	MALAGC	1010	158	40	6,336	9/29/2008	R	AC	90	$1,493	74,986	SLURRY SEAL - TYPE II
MALBEC DR	105 FT S/O DOMAINE DR	S/O DOMAINE	MALBED	1020	105	32	3,360	8/12/2013	R	AC	86	$792	66,382	SLURRY SEAL - TYPE II
MALLGUERRA AV	375 FT N/O COCHRANE	N/O SILVERWINGS CT	MALLGU	1015	825	32	26,400	8/12/2013	R	AC/AC	88	$6,219	70,744	SLURRY SEAL - TYPE II
MALLGUERRA AV	N/O SILVERWINGS CT	MORNING STAR DR	MALLGU	1025	390	32	12,480	8/12/2013	R	AC/AC	86	$2,940	66,541	SLURRY SEAL - TYPE II
MARBELLA CT	SEVILLE DR	END	MARBEL	1010	581	40	23,232	9/29/2008	R	AC	89	$5,473	70,116	SLURRY SEAL - TYPE II
MAIDEN SPRING WY	SHADOW BROOK	CARRIAGE	MASPWY	1010	315	34	10,710	8/12/2013	R	AC	88	$2,523	63,770	SLURRY SEAL - TYPE II
MIRA BELLA CIR	TRAIL DR	END AT TRAIL DR	MIRABE	1010	2,545	37	94,165	8/12/2013	R	AC	88	$22,182	77,014	SLURRY SEAL - TYPE II
MIRA FLORES CT	MIRA BELLA CIRCLE	CUL-DE-SAC	MIRAFL	1010	171	37	6,327	8/12/2013	R	AC	85	$1,491	71,785	SLURRY SEAL - TYPE II
MIRA LAGOS DR	MIRA BELLA CIRCLE	END	MIRALA	1010	129	37	4,773	8/12/2013	R	AC	87	$1,125	74,368	SLURRY SEAL - TYPE II
MIRA BELLA PL	MIRA BELLA CIRCLE	CUL-DE-SAC	MIRAPL	1010	142	37	5,254	8/12/2013	R	AC	81	$1,238	62,520	SLURRY SEAL - TYPE II
MONTEREY ST	DUNNE AV	FIFTH ST	MONTER	1102	502	64	32,128	8/12/2013	A	AC/AC	84	$9,817	92,681	SLURRY SEAL - TYPE II
MONTEREY ST	FIFTH ST	SECOND ST	MONTER	1110	1,110	62	68,820	8/12/2013	A	AC/AC	86	$21,029	100,992	SLURRY SEAL - TYPE II
MONTEREY ST	WRIGHT AV	OLD MONTEREY RD	MONTER	1150	1,742	76	132,392	10/13/2011	A	AC/AC	89	$40,454	62,514	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2017

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
PALOMA CT	OLD MONTEREY RD	END	PALOMA	1010	438	20	8,760	8/12/2013	R	AC	85	$2,064	71,785	SLURRY SEAL - TYPE II
PEAR DR	W/O HILL RD	CUL DE SAC	PEARDR	1010	1,139	32	37,977	8/12/2013	R	AC	85	$8,946	64,979	SLURRY SEAL - TYPE II
PEET RD	N/O COCHRANE RD	N/O MORNING STAR	PEETRD	1010	1,420	36	51,120	8/12/2013	R	AC	88	$12,042	74,750	SLURRY SEAL - TYPE II
PEET RD	N/O MORNING STAR DR	S/O EAGLE VIEW	PEETRD	1020	1,035	36	37,260	8/12/2013	R	AC	87	$8,777	72,288	SLURRY SEAL - TYPE II
RALPH LEE CT	END	RINGEL DR	RALPHL	1010	106	69	7,286	10/8/2008	R	AC	90	$1,717	74,968	SLURRY SEAL - TYPE II
REMINGTON CT	SORRELL DR	CUL-DE-SAC	REMING	1010	241	33	7,953	8/12/2013	R	AC	82	$1,874	64,706	SLURRY SEAL - TYPE II
RINGEL DR	END	JUSTINO DR	RINGEL	1010	897	40	35,904	10/8/2008	R	AC	89	$8,458	75,760	SLURRY SEAL - TYPE II
RINGEL DR	JUSTINO DR	DIANA AV	RINGEL	1020	528	40	21,120	10/8/2008	R	AC	90	$4,975	74,968	SLURRY SEAL - TYPE II
SADDLEBACK DR	FOUNTAIN OAKS RD	EAST DUNNE	SADDLE	1020	1,336	36	48,096	8/12/2013	C	AC/AC	83	$14,696	67,628	SLURRY SEAL - TYPE II
SAFFRON DRIVE	CURRY AVE	325 FT N/CURRY AVE	SAFFDR	1010	316	34	10,744	8/12/2013	R	AC	88	$2,531	67,527	SLURRY SEAL - TYPE II
SAFFRON DRIVE	CURRY AVE	TARRAGON AVE	SAFFDR	1020	696	34	23,664	8/12/2013	R	AC	87	$5,575	62,413	SLURRY SEAL - TYPE II
SAN ANTONIO DR	N/O AVENIDA DE LOS PADRES	S/O SAN ANTONIO WY	SANANT	1010	436	32	13,952	8/12/2013	R	AC	88	$3,287	68,977	SLURRY SEAL - TYPE II
SAN ANTONIO WY	E/O CAPISTRANO	W/O SAN ANTONIO DR	SANANW	1010	285	32	9,120	8/12/2013	R	AC	86	$2,149	64,373	SLURRY SEAL - TYPE II
SAN BENITO PL	S/O SAN PEDRO	CUL DE SAC	SANBEN	1010	731	32	25,239	8/12/2013	R	AC	87	$5,946	75,370	SLURRY SEAL - TYPE II
SAN JUAN DR	PAVE CHNG (W/O CORY DR)	115' W/ CORRY DR	SANJUA	1010	550	32	17,600	8/12/2013	R	AC	84	$4,146	71,206	SLURRY SEAL - TYPE II
SAN LUIS WY	E/O CORY DR (S)	E/O CORY DR (N)	SANLUI	1010	1,039	32	33,248	8/12/2013	R	AC	86	$7,832	76,347	SLURRY SEAL - TYPE II
SAN PEDRO AV	CHURCH ST	RAILROAD AV	SANPED	1020	898	40	35,904	8/12/2013	C	AC/AC	84	$10,971	68,224	SLURRY SEAL - TYPE II
SAN RAMON DR	SAN RAMON CT	BARRETT AVE	SANRAM	1020	230	33	7,590	8/12/2013	R	AC	85	$1,788	71,785	SLURRY SEAL - TYPE II
SAN VICENTE DR	JUAN HERNANDEZ	SAN RAMON DR	SANVIN	1010	358	37	13,246	8/12/2013	R	AC	88	$3,121	77,014	SLURRY SEAL - TYPE II
SAN VICENTE COURT	JUAN HERNANDEZ DR	CUL-DE-SAC	SAVICT	1010	205	34	6,970	8/12/2013	R	AC	88	$1,642	66,142	SLURRY SEAL - TYPE II
SERPENTINE CT	CHRISTEPH	CUL-DE-SAC	SERPIN	1010	441	33	14,553	8/12/2013	R	AC	85	$3,429	71,785	SLURRY SEAL - TYPE II
SERRA AVENIDA	S/O SANTA INES	161' N/ SANTA INES WA (PAVE CHNG)	SERRAA	1020	161	36	5,796	8/12/2013	R	AC	88	$1,366	74,750	SLURRY SEAL - TYPE II
SHADOWBROOK WY	LLAGAS RD	LLAGAS CREEK DR	SHADOW	1020	996	34	33,864	8/12/2013	R	AC	88	$7,977	63,770	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2017

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
SORREL DR	BARRETT AVE	END	SORRDR	1040	711	37	26,307	8/12/2013	R	AC	88	$6,197	77,014	SLURRY SEAL - TYPE II
SORRELL WY	E. DUNNE AVE	NORTH DEAD END (BARRICADE)	SORRWY	1030	177	37	6,549	8/12/2013	R	AC	85	$1,543	71,785	SLURRY SEAL - TYPE II
SPARHAWK DR	LLAGAS CREEK DR	DEAD END	SPARDR	1020	545	37	20,165	8/12/2013	R	AC	83	$4,750	66,920	SLURRY SEAL - TYPE II
ST. ANTHONY DR	ROSEMARY CIR	DEAD END	STANTH	1010	119	33	3,927	8/12/2013	R	AC	88	$926	77,593	SLURRY SEAL - TYPE II
ST. JOSEPH DR	DIANA AVE	ROSEMARY CIR	STJOSE	1010	230	37	8,510	8/12/2013	R	AC	85	$2,005	69,975	SLURRY SEAL - TYPE II
SUNNYSIDE AV	COUNTY MARKER	STONE GATE CT	SUNNYS	1010	686	24	18,586	8/12/2013	A	AC/AC	85	$5,680	99,697	SLURRY SEAL - TYPE II
SUNNYSIDE AV	CASINO REAL	COUNTY MARKER	SUNNYS	1040	634	32	16,896	8/12/2013	A	AC/AC	88	$5,163	114,020	SLURRY SEAL - TYPE II
TALBOT DR	N/O CALLE SIENA	S/O LANCIA DR	TALBOT	1020	380	37	14,060	8/12/2013	R	AC	84	$3,312	69,331	SLURRY SEAL - TYPE II
TENNANT AV	CAPUTO DR	ANT CT	TENNAN	1040	1,242	72	89,424	8/12/2013	A	AC/AC	84	$27,324	70,207	SLURRY SEAL - TYPE II
VIA DE NINOS WY	LA MAR DR	LA ARBOLEDA	VIANIN	1010	840	37	31,080	8/12/2013	R	AC	83	$7,322	66,920	SLURRY SEAL - TYPE II
VIA NARETTO	W/O CALLE SUENO	CUL DE SAC	VIANOR	1010	482	32	17,526	8/12/2013	R	AC	87	$4,129	69,286	SLURRY SEAL - TYPE II
VIA SORRENTO	WATSONVILLE RD	WATSONVILLE RD	VIASOR	1010	1,479	37	54,723	9/22/2008	R	AC	89	$12,891	75,557	SLURRY SEAL - TYPE II
VINEYARD BL	CONCORD CR	TENNANT AV	VINEYA	1030	845	60	50,688	8/12/2013	C	AC/AC	92	$15,488	63,650	SLURRY SEAL - TYPE II
W DUNNE AV	DEL MONTE AV	MONTEREY ST	WDUNNE	1050	686	58	39,811	10/20/2011	A	AC/AC	89	$12,165	62,514	SLURRY SEAL - TYPE II
WINTER CREEK WY	SHADOW BROOK	CARRIAGE	WICRWY	1010	315	34	10,710	8/12/2013	R	AC	88	$2,523	63,770	SLURRY SEAL - TYPE II
ZINFANDEL CR	DOMAINE DR	ZINFANEL CR	ZINFCR	1010	1,500	34	51,000	8/12/2013	R	AC	87	$12,014	61,962	SLURRY SEAL - TYPE II
								Treatment Total				$748,710		
DANNY BOY CT	EXCALIBER DR	CUL-DE-SAC	DANNY	1010	305	33	10,065	8/12/2013	R	AC	88	$9	2,809,417	SEAL CRACKS
EXCALIBER DR	WATSONVILLE RD	WHITE CLOUD DR	EXCADR	1020	198	40	7,920	8/12/2013	R	AC	87	$8	2,715,086	SEAL CRACKS
EXCALIBER DR	WHITE CLOUD DR	PRANCER CT	EXCADR	1030	964	37	35,668	8/12/2013	R	AC	86	$39	1,571,125	SEAL CRACKS
EXCALIBER DR	PRANCER CT	NATIVE DANCER	EXCADR	1040	524	37	19,388	8/12/2013	R	AC	86	$21	1,571,125	SEAL CRACKS
EXCALIBER DR	NATIVE DANCER	CUL-DE-SAC	EXCADR	1050	519	33	17,127	8/12/2013	R	AC	86	$19	1,571,125	SEAL CRACKS
LLAGAS RD	TERESA LN	LLAGAS CT	LLAGAS	1080	1,950	22	42,900	8/12/2013	C	AC/AC	87	$25	3,233,284	SEAL CRACKS

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2017

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
LLAGAS RD	LLAGAS CT	CHRISTEPH DR	LLAGAS	1090	950	45	42,750	8/12/2013	C	AC/AC	87	$25	3,233,284	SEAL CRACKS
LLAGAS RD	CHRISTEPH DR	MURPHY SPRINGS DR	LLAGAS	1100	951	46	38,861	8/12/2013	C	AC/AC	87	$22	3,233,284	SEAL CRACKS
LLAGAS RD	MURPHY SPRINGS DR	HALE AV	LLAGAS	1110A	396	52	20,592	8/12/2013	C	AC/AC	87	$12	3,233,284	SEAL CRACKS
MONTEREY ST	SECOND ST	KEYSTONE AV	MONTER	1120	1,004	60	60,240	8/12/2013	A	AC/AC	87	$34	4,645,688	SEAL CRACKS
MONTEREY ST	KEYSTONE AV	CENTRAL AV	MONTER	1130	686	75	51,450	8/12/2013	A	AC/AC	87	$29	4,645,688	SEAL CRACKS
MONTEREY ST	CENTRAL AV	WRIGHT AV	MONTER	1140	1,003	88	88,264	8/12/2013	A	AC/AC	87	$49	4,645,688	SEAL CRACKS
NATIVE DANCER DR	E/O SECRATERIAT	W/O SANTA TERESA	NATIVE	1000	279	32	8,928	8/12/2013	R	AC	89	$8	2,774,117	SEAL CRACKS
PRANCER CT	EXCALIBER DR	CUL-DE-SAC	PRANCE	1010	210	37	7,770	8/12/2013	R	AC	88	$7	2,809,417	SEAL CRACKS
SECRETARIAT CT	N/O NATIVE DANCER DR	CUL DE SAC	SECRET	1010	457	32	16,078	8/12/2013	R	AC	89	$13	2,774,117	SEAL CRACKS
SKIP AWAY CT	WHITE CLOUD DR	CUL-DE-SAC	SKIPAW	1010	388	33	12,804	8/12/2013	R	AC	86	$14	1,571,125	SEAL CRACKS
WATSONVILLE RD	CITY LIMITS	PRATOLA CT	WATSON	1010	951	80	46,464	11/4/2011	A	AC/AC	87	$26	4,645,688	SEAL CRACKS
WATSONVILLE RD	PRATOLA CT	VIA SORRENTO	WATSON	1020	1,056	80	56,602	11/4/2011	A	AC/AC	87	$32	4,645,688	SEAL CRACKS
WATSONVILLE RD	VIA SORRENTO	CALLE ENRIQUE	WATSON	1030	1,162	59	68,558	2/3/2012	A	AC/AC	87	$39	4,645,688	SEAL CRACKS
WATSONVILLE RD	CALLE ENRIQUE	594 FT W/MONTEREY ST	WATSON	1040A	1,782	59	105,138	2/3/2012	A	AC/AC	87	$59	4,645,688	SEAL CRACKS
WATSONVILLE RD	594 FT W/MONTEREY ST	MONTEREY ST	WATSON	1040B	594	30	17,820	8/12/2013	A	AC/AC	87	$10	4,645,688	SEAL CRACKS
WHITE CLOUD DR	EXCALIBER DR	EXCALIBER DR	WHITDR	1020	1,922	37	71,114	8/12/2013	R	AC	88	$62	2,809,417	SEAL CRACKS
WHITE CLOUD CT	EXCALIBER DR	CUL-DE-SAC	WHITEC	1010	529	37	19,573	8/12/2013	R	AC	86	$22	1,571,125	SEAL CRACKS

Treatment Total $584

Year 2017 Area Total 5,022,273

Year 2017 Total $5,256,507

** - Treatment from Project Selection

Scenarios Criteria:

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2018

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
ENGLISH WALNUT CT	WALNUT GROVE DR	END	ENGLIS	1010	211	24	5,064	8/12/2013	R	AC	73	$4,811	14,005	CAPE SEAL
HAY LOFT CT	END	HAY LOFT WY	HAYLCT	1010	211	32	6,758	8/12/2013	R	AC	76	$6,420	15,677	CAPE SEAL
								Treatment Total				$11,231		
BURNETT AV	MONTEREY ST	CITY LIMITS	BURNET	1010	1,795	36	64,620	8/12/2013	C	AC	100	$170,169	18,199	2 IN AC OVERLAY
CHURCH ST	BARRETT AV	MAST ST	CHURCH	1030	898	32	31,046	8/12/2013	C	AC	100	$81,756	19,208	2 IN AC OVERLAY
COCHRANE RD	MONTEREY ST	COCHRANE CIR	COCHRA	1010	528	75	39,600	8/12/2013	A	AC/AC	100	$135,960	18,506	2 IN AC OVERLAY
COCHRANE RD	SUTTER BL	HWY 101 ONRAMP	COCHRA	1040	1,214	70	84,980	8/12/2013	A	AC/AC	100	$291,765	18,506	2 IN AC OVERLAY
COCHRANE RD	MISSION VIEW DR	PEET RD	COCHRA	1080	1,360	27	36,720	8/12/2013	A	AC	100	$126,072	18,774	2 IN AC OVERLAY
DEPOT ST	EAST DUNNE AV	FIFTH ST	DEPOTS	1005	630	36	22,680	8/12/2013	C	AC	100	$59,725	19,208	2 IN AC OVERLAY
DIANA AV	DEAD END (S. OF BUTTERFIELD)	BUTTERFIELD BLVD	DIANAA	1010	585	24	14,040	8/12/2013	C	AC	100	$36,973	19,509	2 IN AC OVERLAY
DIANA AV	JAMES LEX LN	WALNUT GROVE DR (E)	DIANAA	1040	942	47	44,274	8/12/2013	C	AC	100	$116,590	18,886	2 IN AC OVERLAY
EAST DUNNE AV	RAILROAD X	BUTTERFIELD	EDUNNE	1020A	617	69	42,573	8/12/2013	A	AC	100	$146,168	19,160	2 IN AC OVERLAY
EAST DUNNE AV	PVT CHG 356' E/O SORRELL WY	SADDLEBACK DR	EDUNNE	1110	217	87	18,879	8/12/2013	A	AC/AC	100	$64,818	18,987	2 IN AC OVERLAY
EAST DUNNE AV	FLAMING OAK LN	THOMAS GRADE	EDUNNE	1150	2,429	22	71,597	8/12/2013	C	AC	100	$188,542	18,564	2 IN AC OVERLAY
JARVIS DR	SERENE DR	SUTTER BL	JARVIS	1020	3,274	58	189,869	8/12/2013	C	AC	100	$499,995	19,210	2 IN AC OVERLAY
LA CROSSE DR	MCKELVY LN	LA GRANDE DR	LACROS	1060	1,004	50	50,160	8/12/2013	C	AC	100	$132,090	18,886	2 IN AC OVERLAY
LA CROSSE DR	LA GRANDE DR	LA ALAMEDA DR	LACROS	1070	950	50	47,520	8/12/2013	C	AC	100	$125,138	19,508	2 IN AC OVERLAY
LA CROSSE DR	MCKELVY LN	75 FT WEST OF LA RODA CT	LACROS	1080A	484	46	22,264	8/12/2013	C	AC	100	$58,630	18,564	2 IN AC OVERLAY
LLAGAS RD	DEANA CT	TERESA LN	LLAGAS	1070	500	22	11,000	8/12/2013	C	AC	100	$28,968	18,564	2 IN AC OVERLAY
MONTEREY ST	512 FT S/SAN PEDRO AV	SAN PEDRO AV	MONTER	1082	512	80	40,960	8/12/2013	A	AC/AC	100	$140,630	19,673	2 IN AC OVERLAY
SUNNYSIDE AV	STONE GATE CT	APPIAN WY	SUNNYS	1020	633	28	17,741	8/12/2013	A	AC/AC	100	$60,911	16,641	2 IN AC OVERLAY
TRAIL DR	CERRO VISTA DR	PVT CHG	TRAILD	1030	454	36	16,344	8/12/2013	C	AC	100	$43,040	18,199	2 IN AC OVERLAY
TRAIL DR	CERRO VISTA DR	FOUNTAIN OAKS DR	TRAILD	1040	897	40	35,904	8/12/2013	C	AC	100	$94,549	19,509	2 IN AC OVERLAY
								Treatment Total				$2,602,489		

** - Treatment from Project Selection

Scenarios Criteria:

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2018

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
EAST MAIN AV	CALLE MAZATAN	GRAND PRIX WY	EMAINA	1030	1,003	36	36,115	8/12/2013	A	AC/AC	100	$149,828	18,966	2 IN AC OVERLAY W/ FABRIC
EAST MAIN AV	LAURAL RD	101 OVERPASS	EMAINA	1061	520	42	21,840	8/12/2013	A	AC/AC	100	$90,606	19,224	2 IN AC OVERLAY W/ FABRIC
EAST MAIN AV	101 OVERPASS	CONDIT RD	EMAINA	1062	694	42	29,148	8/12/2013	A	AC	100	$120,924	19,255	2 IN AC OVERLAY W/ FABRIC
HILL RD	KATYBETH WY	CITY LIMITS (N/ DANA AV)	HILLRD	1040	2,877	40	115,080	8/12/2013	A	AC/AC	100	$477,423	19,347	2 IN AC OVERLAY W/ FABRIC
MONTEREY ST	WEST MIDDLE AV	WATSONVILLE RD	MONTER	1020	3,010	75	225,750	8/12/2013	A	AC/AC	100	$936,549	18,658	2 IN AC OVERLAY W/ FABRIC
MONTEREY ST	MYRTLE AV	DUNNE AV	MONTER	1101	448	64	28,672	8/12/2013	A	AC/AC	100	$118,949	19,302	2 IN AC OVERLAY W/ FABRIC
								Treatment Total				$1,894,279		
ADAMS CT	COCHRANE RD	END	ADAMSC	1010	675	40	27,000	8/12/2013	R	AC	80	$6,551	48,857	SLURRY SEAL - TYPE II
ALCALA CT	MISSION AVE	CUL-DE-SAC	ALCALA	1010	444	37	16,428	8/12/2013	R	AC	85	$3,986	47,728	SLURRY SEAL - TYPE II
ANGELICA WY	W/O TAYLOR	CUL DE SAC	ANGELI	1010	565	36	21,741	8/12/2013	R	AC	83	$5,275	48,516	SLURRY SEAL - TYPE II
AVANTE PL	BELLETO DR	CUL-DE-SAC	AVANTE	1010	191	33	6,303	8/12/2013	R	AC	85	$1,530	47,728	SLURRY SEAL - TYPE II
AVENIDA DE LOS PADRES	MISSION VIEW DR	CAPISTRANO WAY	AVDELO	1010	752	33	24,816	8/12/2013	R	AC	85	$6,021	47,728	SLURRY SEAL - TYPE II
BARRETT AV	SAN RAMON DR	300 FT E. OF RAILROAD AVE	BARRET	1030	1,630	34	55,420	8/12/2013	R	AC	80	$13,447	48,857	SLURRY SEAL - TYPE II
BARRETT AV	100 FT. W. OF SORREL DR	TRAIL DR	BARRET	1040	576	37	21,312	8/12/2013	R	AC	85	$5,171	47,842	SLURRY SEAL - TYPE II
BARRETT AV	JUAN HERNANDEZ DR	SAN RAMON DR	BARRET	2010	540	42	22,680	8/12/2013	R	AC	83	$5,503	48,677	SLURRY SEAL - TYPE II
BASIL AV	DOUGHERTY AV	CAYENNE DR	BASIAV	1010	263	34	8,942	8/12/2013	R	AC	85	$2,170	59,033	SLURRY SEAL - TYPE II
BEL AIR CT	MONTOYA CR	END	BELACT	1010	211	40	8,448	8/12/2013	R	AC	84	$2,050	48,270	SLURRY SEAL - TYPE II
BELLINI WY	EXCALIBER DR	CUL-DE-SAC	BELLWY	1020	240	34	9,781	8/12/2013	R	AC	85	$2,374	57,452	SLURRY SEAL - TYPE II
BERKSHIRE CT	END	BERKSHIRE WY	BERKCT	1010	158	40	6,336	8/12/2013	R	AC	84	$1,538	48,269	SLURRY SEAL - TYPE II
BERKSHIRE DR	DEL MONTE AV	END (CUL-DE-SAC)	BERKSH	1020	806	40	32,240	8/12/2013	R	AC	82	$7,823	48,786	SLURRY SEAL - TYPE II
BLACK WALNUT WY	SERENE DR	WALNUT GROVE DR	BLACWW	1010	264	40	10,560	8/12/2013	R	AC	85	$2,563	47,841	SLURRY SEAL - TYPE II
BLUE LYNX CT	EAGLE VIEW	CUL-DE-SAC	BLUELY	1020	524	34	17,816	8/12/2013	R	AC	86	$4,323	60,362	SLURRY SEAL - TYPE II
BONITA DR	PALOMA DR	END	BONITA	1010	440	33	14,520	8/12/2013	R	AC	85	$3,523	47,728	SLURRY SEAL - TYPE II
CABERNET CIRCLE	DOMAINE DR	CABEINET CT	CABECR	1010	960	34	32,640	8/12/2013	R	AC	85	$7,920	58,414	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2018

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
CALLE BUENA VISTA	CALLE TIERRA	CALLE HERMOSA	CABUVI	1010	990	34	33,660	8/12/2013	R	AC	83	$8,167	54,781	SLURRY SEAL - TYPE II
CALLE ASTA	CALLE MAZATAN	BEL AIR WAY	CALLAS	1020	534	36	19,224	8/12/2013	R	AC	85	$4,665	47,842	SLURRY SEAL - TYPE II
CALLE ATAVIO	PVT CHG	CALLE DEL SOL	CALLAT	1020	231	36	8,316	8/12/2013	R	AC	85	$2,018	47,842	SLURRY SEAL - TYPE II
CALLE TIERRA	CALLE CENTRAL	CUL-DE-SAC	CALTIE	1020	681	34	23,154	8/12/2013	R	AC	84	$5,618	56,751	SLURRY SEAL - TYPE II
CANTOR DR	TRAIL DR	END	CANTOR	1010	1,003	34	34,109	8/12/2013	R	AC	85	$8,276	47,843	SLURRY SEAL - TYPE II
CARRIAGE DR	LLAGAS RD	CUL-DE-SAC	CARRIA	1020	686	34	23,324	8/12/2013	R	AC	85	$5,659	58,102	SLURRY SEAL - TYPE II
CASA GRANDE CT	TRAIL DR	END	CASAGR	1010	686	32	21,965	8/12/2013	R	AC	85	$5,330	47,841	SLURRY SEAL - TYPE II
CASINO REAL	END	SUNNYSIDE AV	CASINO	1010	1,056	32	33,792	8/12/2013	R	AC	80	$8,199	48,857	SLURRY SEAL - TYPE II
CIOLINO AV	450 FT E/O DEL MONTE AV	MONTEREY ST	CIOLIN	1020	447	40	17,880	8/12/2013	R	AC	84	$4,339	48,270	SLURRY SEAL - TYPE II
CLAYTON PL	N/O PEEBLES	CUL DE SAC	CLAYTO	1010	544	36	20,696	10/12/2011	R	AC	81	$5,022	57,035	SLURRY SEAL - TYPE II
COCHRANE CIR	BEGIN CIRCLE	WEST ENTRANCE	COCHRC	1020	1,162	50	58,080	8/12/2013	R	AC	80	$14,092	48,857	SLURRY SEAL - TYPE II
COCHRANE CIR	MONTEREY ST	BEGIN CIRCLE	COCHRC	1130	370	40	14,784	8/12/2013	R	AC	81	$3,587	48,862	SLURRY SEAL - TYPE II
CONDIT RD	TENNANT AV	WIDTH CHG (925 FT N/TENNANT)	CONDIT	1005	925	31	28,675	8/12/2013	C	AC/AC	91	$9,025	51,512	SLURRY SEAL - TYPE II
CORY LN	SAN PEDRO RD	CUL DE SAC	CORYLN	1010	420	36	15,120	8/12/2013	R	AC	83	$3,669	48,696	SLURRY SEAL - TYPE II
DANNY BOY CT	EXCALIBER DR	CUL-DE-SAC	DANNY	1010	305	33	10,065	8/12/2013	R	AC	93	$2,442	63,102	SLURRY SEAL - TYPE II
DA VINCI CR	LA ROCEL	END	DAVICR	1010	397	32	12,704	8/12/2013	R	AC	87	$3,083	59,560	SLURRY SEAL - TYPE II
DEL MONTE AV	COSMO AV	S/O MATHILDA CT	DELMON	1005	792	37	29,304	8/12/2013	R	AC	84	$7,110	48,270	SLURRY SEAL - TYPE II
DEL MONTE AV	S/O MATHILDA CT	FOOTHILL CT	DELMON	1015	285	37	10,545	8/12/2013	R	AC	85	$2,559	47,843	SLURRY SEAL - TYPE II
DEL MONTE AV	FOOTHILL CT	SPRING AV	DELMON	1020A	297	40	11,880	8/12/2013	R	AC	80	$2,883	48,857	SLURRY SEAL - TYPE II
DEL MONTE AV	W DUNNE AV	FIFTH ST	DELMON	1032	394	40	15,760	8/12/2013	R	AC	85	$3,824	47,842	SLURRY SEAL - TYPE II
DENALI DR	OLYMPIC DR	SUNSET AVE	DENALI	1020	364	37	13,468	8/12/2013	R	AC	85	$3,268	47,728	SLURRY SEAL - TYPE II
DOMAINE DR	CABERNET CT	BRIX WY	DOMAID	1020	994	34	33,796	8/12/2013	R	AC	82	$8,200	54,270	SLURRY SEAL - TYPE II
DOUGHERTY AV	TILTON AV	CITY LIMITS	DOUGHE	1010	950	30	28,500	8/12/2013	R	AC	85	$6,915	47,842	SLURRY SEAL - TYPE II
DOUGHERTY AV	TILTON AV	N/O BASIL	DOUGHE	1015	1,000	34	34,000	8/12/2013	R	AC	84	$8,250	56,837	SLURRY SEAL - TYPE II
E EDMUNDSON AV	CHURCH ST	END	EDMUND	1020	686	36	24,696	8/12/2013	A	AC	81	$7,773	55,130	SLURRY SEAL - TYPE II
EAST DUNNE AV	BUTTERFIELD	JOLLEEN WY	EDUNNE	1020B	1,918	69	132,342	8/12/2013	A	AC	82	$41,651	55,259	SLURRY SEAL - TYPE II
EAST DUNNE AV	JOLLEEN WY	LAUREL RD	EDUNNE	1030	898	69	61,962	8/12/2013	A	AC	82	$19,501	55,259	SLURRY SEAL - TYPE II
EAGLE ISLAND CT	S/O SPRING AVE	CUL DE SAC	EISLAN	1010	182	32	7,840	8/12/2013	R	AC	80	$1,903	54,517	SLURRY SEAL - TYPE II
ENGLISH WALNUT WY	WALNUT GROVE DR	BELLETO DR	ENGLIW	1010	725	44	31,900	8/12/2013	R	AC	80	$7,740	48,857	SLURRY SEAL - TYPE II
EXCALIBER DR	WATSONVILLE RD	WHITE CLOUD DR	EXCADR	1020	198	40	7,920	8/12/2013	R	AC	93	$1,922	62,915	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2018

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
FOUNTAIN OAKS DR	HILL RD	FELIZ CT	FOUNTA	1010	1,056	40	42,240	8/12/2013	C	AC/AC	84	$13,294	48,530	SLURRY SEAL - TYPE II
HALE AV	LLAGAS RD	VIA LOMA	HALEAV	1030	1,317	30	39,510	10/12/2011	A	AC/AC	89	$12,435	60,693	SLURRY SEAL - TYPE II
HALE AV	CITY LIMITS(1010 Ft N/VIA LOMA	CITY LIMITS(260 Ft S/TILTON	HALEAV	1040	3,680	30	110,400	10/12/2011	A	AC/AC	89	$34,746	60,693	SLURRY SEAL - TYPE II
HALF RD	COUNTY MARKER	GOULD LN	HALFRD	1010	1,479	22	32,538	8/12/2013	R	AC	81	$7,895	48,862	SLURRY SEAL - TYPE II
JASMINE WY	310' N/ MEADOW CT (PAVE CHNG)	DOGWOOD WY	JASMIN	1010	792	40	31,680	8/12/2013	R	AC	81	$7,687	48,862	SLURRY SEAL - TYPE II
JOHN TELFER DR	WEST DUNNE AV	ALKIRE AV	JOHNTE	1020	475	40	19,000	8/12/2013	R	AC	83	$4,610	48,677	SLURRY SEAL - TYPE II
KATYBETH WY	W/O HEATHERWOOD WY	N/O CONTE WY	KATYBE	1015	190	40	7,600	8/12/2013	R	AC	82	$1,844	48,786	SLURRY SEAL - TYPE II
KEITH WY	EDMUNDSON AVE	DEAD END	KEITHW	1010	730	36	26,280	8/12/2013	R	AC	80	$6,377	48,857	SLURRY SEAL - TYPE II
KICKAPOO CT	MALAGUERRA AV	CUL-DE-SAC	KICKCT	1010	829	32	28,543	8/12/2013	R	AC	86	$6,926	58,901	SLURRY SEAL - TYPE II
LA AGUA CT	LA JOLLA DR	END	LAAGUA	1010	158	40	6,336	8/12/2013	R	AC	85	$1,538	47,842	SLURRY SEAL - TYPE II
LA ESCUELA CT	END	LA CROSSE DR	LAESCU	1010	581	40	23,232	8/12/2013	R	AC	82	$5,637	48,787	SLURRY SEAL - TYPE II
LA GRANDE DR	VIA CASTANA	LA CROSSE DR	LAGRAN	1010	240	50	12,000	8/12/2013	R	AC	80	$2,912	48,857	SLURRY SEAL - TYPE II
LA JOLLA DR	VIA NAVONA	LA CROSSE DR	LAJOLL	1010	810	40	32,400	8/12/2013	R	AC	82	$7,861	48,787	SLURRY SEAL - TYPE II
LA JOLLA DR	VIA NAVONA	END	LAJOLL	1020	1,020	37	37,740	8/12/2013	R	AC	85	$9,157	47,728	SLURRY SEAL - TYPE II
LA ROCCA DR	BELLINI WY	ALAMO DR	LARODR	1005	1,024	40	40,960	8/12/2013	R	AC	81	$9,938	48,862	SLURRY SEAL - TYPE II
LA TIERRA DR	VIA CASTANA DR	VIA CASTANA DR	LATIER	1020	1,100	40	44,000	8/12/2013	R	AC	80	$10,676	48,857	SLURRY SEAL - TYPE II
LAUREL RD	EAST DUNNE AV	WALNUT GROVE DR	LAUREL	1010	250	38	9,500	8/12/2013	R	AC	84	$2,305	48,270	SLURRY SEAL - TYPE II
LA VELA CT	LA JOLLA DR	CULO-DE-SAC	LAVELA	1010	305	37	11,285	8/12/2013	R	AC	85	$2,738	47,728	SLURRY SEAL - TYPE II
LA VIA AZUL CT	LA JOLLA DR	END	LAVIAC	1010	370	40	14,784	8/12/2013	R	AC	83	$3,587	48,677	SLURRY SEAL - TYPE II
LLAGAS CREEK DR	STONEY CREEK WY	END	LLAGCR	1030	1,065	34	36,210	8/12/2013	R	AC	86	$8,786	60,362	SLURRY SEAL - TYPE II
LLAGAS CT	LLAGAS RD	CUL-DE-SAVC	LLAGCT	1010	159	33	5,247	8/12/2013	R	AC	84	$1,274	48,270	SLURRY SEAL - TYPE II
LORI LN	PARK VIEW DR	END	LORILN	1010	227	25	5,675	8/12/2013	R	AC	84	$1,377	48,270	SLURRY SEAL - TYPE II
LOTUS WY	DIANA AVE	DAKOTA DR	LOTUSW	1010	480	28	13,440	8/12/2013	R	AC	85	$3,261	47,728	SLURRY SEAL - TYPE II
MAGNOLA CT	SADDLEBACK DR	CUL DE SAC	MAGNOL	1020	291	33	9,603	8/12/2013	R	AC	85	$2,330	47,728	SLURRY SEAL - TYPE II
MALBEC DR	105 FT S/O DOMAINE DR	CUL DE SAC S. OF MERLOT	MALBED	1010	475	33	15,675	8/12/2013	R	AC	85	$3,804	47,728	SLURRY SEAL - TYPE II
MERLOT DR	HILL RD	MALBEC DR	MERLOT	1010	364	33	12,012	8/12/2013	R	AC	85	$2,915	47,728	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

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Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2018

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
MISSION AVENIDA	MISSION VIEW DR	ALCALA CT	MISSIO	1010	428	37	15,836	8/12/2013	R	AC	85	$3,843	47,728	SLURRY SEAL - TYPE II
MONTEREY ST	COSMO AV	512 FT S/SAN PEDRO AV	MONTER	1081	544	80	43,520	8/12/2013	A	AC	81	$13,697	55,130	SLURRY SEAL - TYPE II
MONTEREY ST	OLD MONTEREY RD	COCHRANE RD	MONTER	1160	2,376	69	163,944	10/13/2011	A	AC/AC	87	$51,597	64,551	SLURRY SEAL - TYPE II
MONTOYA CR	BEL AIR CT	EAST MAIN AV	MONTOY	1010	1,373	40	54,912	8/12/2013	R	AC	85	$13,323	47,843	SLURRY SEAL - TYPE II
MURPHY AV	CITY LIMITS (SOUTH)	EAST DUNNE AV	MURPHA	1010	792	28	22,176	8/12/2013	A	AC	82	$6,980	55,259	SLURRY SEAL - TYPE II
MURPHY AV	EAST DUNNE AV	WIDTH CHG	MURPHA	1015	340	78	26,520	8/12/2013	A	AC	85	$8,347	54,300	SLURRY SEAL - TYPE II
MURPHY AV	WIDTH CHG	CITY LIMITS (NORTH)	MURPHA	1025	800	32	25,600	8/12/2013	A	AC	83	$8,057	55,071	SLURRY SEAL - TYPE II
MURPHY CT	END	HALE AV	MURPHC	1010	106	40	4,224	8/12/2013	R	AC	80	$1,025	48,857	SLURRY SEAL - TYPE II
NATIVE DANCER DR	E/O SECRATERIAT	W/O SANTA TERESA	NATIVE	1000	279	32	8,928	8/12/2013	R	AC	94	$2,167	60,419	SLURRY SEAL - TYPE II
OAKGROVE CT	END	OAKGROVE DR	OAKGRC	1010	528	40	21,120	8/12/2013	R	AC	82	$5,125	48,787	SLURRY SEAL - TYPE II
OAK LEAF DR	PVT CHG 485' S/O LORI LN	VALLEY VIEW CT	OAKLED	1020	1,699	24	40,776	8/12/2013	R	AC	84	$9,894	48,270	SLURRY SEAL - TYPE II
OAK LEAF DR	VALLEY VIEW CT	END	OAKLED	1030	845	24	20,275	8/12/2013	R	AC	85	$4,920	47,842	SLURRY SEAL - TYPE II
PADUA CT	MISSION AVE	CUL DE SAC	PADUA	1010	298	33	9,834	8/12/2013	R	AC	85	$2,386	47,728	SLURRY SEAL - TYPE II
PEEBLES AV	MONTEREY ST	PVMT CHANGE	PEEBLE	1010	850	36	30,600	8/12/2013	R	AC	85	$7,425	47,841	SLURRY SEAL - TYPE II
PIEDMONT CT	WEST DUNNE AV	END	PIEDMO	1010	370	40	14,784	8/12/2013	R	AC	83	$3,587	48,677	SLURRY SEAL - TYPE II
PRANCER CT	EXCALIBER DR	CUL-DE-SAC	PRANCE	1010	210	37	7,770	8/12/2013	R	AC	93	$1,886	63,102	SLURRY SEAL - TYPE II
PRESERVATION CT	END	PRESERVATION WY	PRESEC	1010	211	32	6,758	8/12/2013	R	AC	81	$1,640	48,862	SLURRY SEAL - TYPE II
RED TAIL PL	PEET RD	CUL-DE-SAC	REDTAL	1010	130	34	6,041	8/12/2013	R	AC	83	$1,466	56,067	SLURRY SEAL - TYPE II
RIL MARIANNA CT	LLAGAS CREEK RD	CUL-DE-SAC	RIMACT	1010	600	34	20,400	8/12/2013	R	AC	86	$4,950	60,362	SLURRY SEAL - TYPE II
RINGEL CT	RINGEL DR	END	RINGEC	1010	158	40	6,336	10/8/2008	R	AC	84	$1,538	48,172	SLURRY SEAL - TYPE II
RIO GRANDE CT	CALLE HERMOSA	CUL-DE-SAC	RIOGRA	1010	235	33	7,755	8/12/2013	R	AC	85	$1,882	47,728	SLURRY SEAL - TYPE II
RIO ORO CT	CALLE HERMOSA	CUL-DE-SAC	RIOORO	1010	160	33	5,280	8/12/2013	R	AC	85	$1,282	47,728	SLURRY SEAL - TYPE II
ROSEMARY CIRCLE	DIANA AV	ST. ANTHONY DR	ROSEMA	1015	1,005	37	37,185	8/12/2013	R	AC	85	$9,022	47,728	SLURRY SEAL - TYPE II
ROSEMARY CIRCLE	ST. ANTHONY DR	ST. JOSEPH DR	ROSEMA	1020	450	37	16,650	8/12/2013	R	AC	85	$4,040	47,728	SLURRY SEAL - TYPE II
ROSEMARY CIRCLE	ST. JOSEPH DR	ROSEMARY CIR	ROSEMA	1030	340	37	12,580	8/12/2013	R	AC	85	$3,053	47,728	SLURRY SEAL - TYPE II
SAGE AV	CURRY AV	CUL-DE-SAC	SAGEAV	1010	710	34	24,140	8/12/2013	R	AC	81	$5,857	51,084	SLURRY SEAL - TYPE II
SAN ANTONIO DR	S/O SAN ANTONIO WAY	S/O SANTA INES	SANANT	1020	248	32	7,936	8/12/2013	R	AC	85	$1,926	47,927	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

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Year: 2018

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
SAN CRISTOVAL CT	SAN RAMON DR	CUL-DE-SAC	SANCRI	1010	240	33	7,920	8/12/2013	R	AC	85	$1,922	47,728	SLURRY SEAL - TYPE II
SANDALWOOD WY	END	KATYBETH WY	SANDAL	1010	573	40	22,920	8/12/2013	R	AC	84	$5,561	48,270	SLURRY SEAL - TYPE II
SAN GABRIEL AVE	E/O SAN BENITO PL	E/O SAN GABRIEL CT	SANGAA	1010	258	32	8,256	8/12/2013	R	AC	82	$2,004	58,045	SLURRY SEAL - TYPE II
SAN LUIS WY	E/O CORY DR	W/O SAN LUIS WAY	SANLUI	1020	224	32	7,168	8/12/2013	R	AC	84	$1,740	48,075	SLURRY SEAL - TYPE II
SAN MARCOS CT	SAN RAMON DR	CUL-DE-SAC	SANMAR	1010	185	33	6,105	8/12/2013	R	AC	85	$1,482	47,728	SLURRY SEAL - TYPE II
SECRETARIAT CT	N/O NATIVE DANCER DR	CUL DE SAC	SECRET	1010	457	32	16,078	8/12/2013	R	AC	94	$3,901	60,419	SLURRY SEAL - TYPE II
SORRELL WY	END (S)	CIMARRON DR	SORREL	1010	845	40	33,792	8/12/2013	R	AC	85	$8,199	47,841	SLURRY SEAL - TYPE II
ST. JAMES DR	JUAN HERNANDEZ	116' W/ ST LAWRENCE DR	STJAME	1010	494	37	18,278	8/12/2013	R	AC	83	$4,435	48,676	SLURRY SEAL - TYPE II
ST MARKS AVE	W/O COCHRANE RD	S/O ST KATHERINE DR	STMARA	1010	1,275	24	30,600	8/12/2013	R	AC	83	$7,425	48,654	SLURRY SEAL - TYPE II
ST MARKS CT	W/O ST MARKS AVE	CUL DE SAC	STMARC	1010	194	25	6,780	8/12/2013	R	AC	85	$1,645	47,818	SLURRY SEAL - TYPE II
SUNDANCE DR	HILL RD	END	SUNDAN	1010	792	40	31,680	8/12/2013	R	AC	82	$7,687	48,787	SLURRY SEAL - TYPE II
TARRAGON AV	SAFRON DR	CUL-DE-SAC	TARRAV	1010	1,009	34	34,306	8/12/2013	R	AC	84	$8,324	56,837	SLURRY SEAL - TYPE II
THYME AV	MARJORAM DR	CUL-DE-SAC (WEST END)	THYMAV	1010A	234	34	7,956	8/12/2013	R	AC	81	$1,931	51,084	SLURRY SEAL - TYPE II
THYME AV	MARJORAM DR	CUL-DE-SAC (EAST END)	THYMAV	1010B	396	34	13,464	8/12/2013	R	AC	82	$3,267	52,920	SLURRY SEAL - TYPE II
TRUMPP CT	MARCIA DR	END	TRUMPP	1010	200	28	5,600	8/12/2013	R	AC	81	$1,359	48,862	SLURRY SEAL - TYPE II
VALLEY VIEW CT	END	OAK LEAF DR	VALLEY	1010	370	24	8,870	8/12/2013	R	AC	85	$2,153	47,842	SLURRY SEAL - TYPE II
VIA EDUARDO	APPIAN WY	END	VIAEDU	1010	158	32	5,069	8/12/2013	R	AC	82	$1,230	48,787	SLURRY SEAL - TYPE II
VIA LARGO	LA JOLLA	CUL-DE-SAC	VIALAR	1010	835	37	30,895	8/12/2013	R	AC	84	$7,496	48,270	SLURRY SEAL - TYPE II
VIA VENETO	APPIAN WY	END	VIAVEN	1010	211	32	6,758	8/12/2013	R	AC	82	$1,640	48,787	SLURRY SEAL - TYPE II
VINEYARD CT	END	VINEYARD BL	VINEYC	1060	422	40	16,896	8/12/2013	R	AC	84	$4,100	48,269	SLURRY SEAL - TYPE II
VISTA CT	END	MUNRO WY	VISTCT	1010	264	40	10,560	8/12/2013	R	AC	81	$2,563	48,862	SLURRY SEAL - TYPE II
WALNUT GROVE DR	WALNUT GROVE DR	DIANA AV	WALNUT	1020	663	48	31,824	8/12/2013	R	AC	84	$7,722	48,270	SLURRY SEAL - TYPE II
WALNUT GROVE DR	DIANA AV	END (S)	WALNUT	1030	807	48	38,736	8/12/2013	R	AC	84	$9,399	48,270	SLURRY SEAL - TYPE II
WALNUT GROVE DR	E DUNNE AVE	CUL-DE-SAC	WALNUT	1120	1,169	39	45,591	8/12/2013	R	AC	84	$11,062	48,270	SLURRY SEAL - TYPE II
WARREN AV	HALE AVE	DEL MONTE AVE	WARREN	1012	635	37	23,495	8/12/2013	R	AC	80	$5,701	48,857	SLURRY SEAL - TYPE II
W DUNNE AV	JOHN TELFER DR	DEWITT AV	WDUNNE	1020	1,056	46	48,576	8/12/2013	R	AC	82	$11,786	48,787	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

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Year: 2018

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
W DUNNE AV	EVERGREEN DR	DEL MONTE AV	WDUNNE	1040	1,056	38	40,128	6/9/2010	A	AC	87	$12,630	51,949	SLURRY SEAL - TYPE II
W EDMUNDSON AV	COUNTY MARKER	PARK ENTRANCE	WEDMUN	1010	1,004	48	39,283	8/12/2013	A	AC	87	$12,364	51,967	SLURRY SEAL - TYPE II
WHITE CLOUD DR	EXCALIBER DR	EXCALIBER DR	WHITDR	1020	1,922	37	71,114	8/12/2013	R	AC	93	$17,254	63,102	SLURRY SEAL - TYPE II
WILD OAK CT	SPRING HILL DR	END	WILDOC	1010	158	44	6,970	8/12/2013	R	AC	81	$1,692	48,862	SLURRY SEAL - TYPE II
								Treatment Total				$824,957		
JARVIS DR	BUTTERFIELD BLVD	ADDRESS # 885	JARVIS	1000	932	58	54,056	8/12/2013	C	AC	84	$17,013	52,789	SLURRY SEAL
JARVIS DR	ADDRESS # 400	BUTTERFIELD BLVD.	JARVIS	1040	601	58	34,858	8/12/2013	C	AC	82	$10,971	50,071	SLURRY SEAL
								Treatment Total				$27,984		
EAST DUNNE AV	CONDIT RD	MURPHY AV	EDUNNE	1050	634	88	52,960	8/12/2013	A	AC/AC	87	$31	4,510,339	SEAL CRACKS
EAST DUNNE AV	MURPHY AV	PEPPERTREE DR	EDUNNE	1060	1,267	88	103,832	8/12/2013	A	AC/AC	87	$60	4,510,339	SEAL CRACKS
EAST DUNNE AV	PEPPERTREE DR	PINE WY	EDUNNE	1070	792	88	64,400	8/12/2013	A	AC/AC	87	$37	4,510,339	SEAL CRACKS
EAST DUNNE AV	PINE WY	TASSAJARA CR	EDUNNE	1080	1,215	88	98,760	8/12/2013	A	AC/AC	87	$57	4,510,339	SEAL CRACKS
EAST DUNNE AV	TASSAJARA CR	HILL RD	EDUNNE	1090	1,056	88	82,208	8/12/2013	A	AC/AC	87	$47	4,510,339	SEAL CRACKS
WEST MAIN AV	PEAK AV	CREST AV	WMAINA	1030	713	43	30,659	8/12/2013	C	AC/AC	87	$18	3,139,083	SEAL CRACKS
WEST MAIN AV	CREST AV	HALE AV	WMAINA	1040	634	43	27,245	8/12/2013	C	AC/AC	87	$16	3,139,083	SEAL CRACKS
WEST MAIN AV	HALE AV	DEL MONTE AV	WMAINA	1050	686	44	30,202	8/12/2013	A	AC/AC	87	$18	4,510,339	SEAL CRACKS
WEST MAIN AV	DEL MONTE AV	MONTEREY ST	WMAINA	1060	616	44	27,104	8/12/2013	A	AC/AC	87	$16	4,510,339	SEAL CRACKS
								Treatment Total				$300		
				Year 2018 Area Total			5,139,364	Year 2018 Total				$5,361,240		

CITY OF MORGAN HILL

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2019

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
CREST AV	LONGVIEW DR	OAKGROVE CT	CRESTA	1030	634	40	25,360	8/12/2013	R	AC	78	$24,812	16,183	CAPE SEAL
DRY CREEK CT	SPRING HILL DR	END	DRYCRE	1010	264	40	10,560	8/12/2013	R	AC	75	$10,332	14,681	CAPE SEAL
MORGAN CT	END	MORGAN AV	MORGAC	1010	264	40	10,560	8/12/2013	R	AC	73	$10,332	13,843	CAPE SEAL
OLIVE AV	CITY LIMITS	END	OLIVEA	1020	1,003	21	21,067	8/12/2013	R	AC	76	$20,612	15,148	CAPE SEAL
								Treatment Total				$66,088		
CHURCH ST	EDMUNDSON AV	BARRETT AV	CHURCH	1020	1,056	40	39,706	8/12/2013	C	AC	100	$107,698	16,991	2 IN AC OVERLAY
CHURCH ST	MAST ST	SAN PEDRO AV	CHURCH	1040	845	24	20,280	8/12/2013	C	AC	100	$55,007	17,386	2 IN AC OVERLAY
COCHRANE RD	COCHRANE CIR	ADAMS CT	COCHRA	1020	1,109	80	88,720	8/12/2013	A	AC/AC	100	$313,744	17,558	2 IN AC OVERLAY
COCHRANE RD	HWY 101 OFFRAMP	DE PAUL DR	COCHRA	1060	739	41	30,299	8/12/2013	A	AC	100	$107,148	16,662	2 IN AC OVERLAY
CONDIT RD	880' S/ BARRETT (WIDTH CHG)	60' N/ BARRETT AVE (PVMT CHG)	CONDIT	1015	940	48	45,120	8/12/2013	C	AC/AC	100	$122,383	15,719	2 IN AC OVERLAY
COSMO AV	DENALI DR	DEL MONTE AV	COSMOA	1020	483	37	17,871	8/12/2013	C	AC	100	$48,473	17,014	2 IN AC OVERLAY
DE PAUL DR	END	COCHRANE RD	DEPAUL	1010	950	40	38,016	8/12/2013	C	AC	100	$103,114	16,992	2 IN AC OVERLAY
DEPOT ST	FOURTH ST	SECOND ST	DEPOTS	1020	635	36	22,860	8/12/2013	C	AC	100	$62,005	16,991	2 IN AC OVERLAY
DEPOT ST	SECOND ST	EAST MAIN AV	DEPOTS	1030	700	36	25,200	8/12/2013	C	AC	100	$68,352	16,991	2 IN AC OVERLAY
DIANA AV	BUTTERFIELD BLVD	GRAND PRIX WY	DIANAA	1020	1,659	42	69,678	8/12/2013	C	AC/AC	100	$188,993	16,822	2 IN AC OVERLAY
EAST MAIN AV	BUTTERFIELD BLVD	CALLE MAZATAN	EMAINA	1022	684	69	47,196	8/12/2013	A	AC/AC	100	$166,901	16,882	2 IN AC OVERLAY
EAST MAIN AV	SERENE DR	LAUREL RD	EMAINA	1052	432	51	22,032	8/12/2013	A	AC/AC	100	$77,913	15,361	2 IN AC OVERLAY
HILL RD	COUNTY MARKER	SUNDANCE DR	HILLRD	1010	1,056	44	46,464	8/12/2013	A	AC	100	$164,313	16,662	2 IN AC OVERLAY
JARVIS DR	SUTTER BL	ADDRESS # 400	JARVIS	1030	792	58	45,936	8/12/2013	C	AC	100	$124,596	16,993	2 IN AC OVERLAY
JUAN HERNANDEZ DR	DEAD END	BARRETT AVE	JUANHE	1010	1,355	30	40,650	8/12/2013	C	AC	100	$110,258	17,014	2 IN AC OVERLAY
JUAN HERNANDEZ DR	BARRETT AVE	TENNANT AVE	JUANHE	1020	1,673	54	90,342	8/12/2013	C	AC	100	$245,041	17,414	2 IN AC OVERLAY
LLAGAS RD	CASTLE RIDGE DR	DEANA CT	LLAGAS	1060	1,380	28	38,640	8/12/2013	C	AC	100	$104,806	17,387	2 IN AC OVERLAY
MADRONE PKWY	MONTEREY ST	BUTTERFIELD BLVD	MADRON	1010	1,640	45	73,800		C	AC	100	$200,173	18,092	2 IN AC OVERLAY
MADRONE PKWY	BUTTERFIELD BLVD	NE CORNER OF MADRONE PKWY	MADRON	1020	2,166	45	97,470		C	AC	100	$264,375	18,092	2 IN AC OVERLAY
MADRONE PKWY	NE CORNER OF MADRONE PKWY	COCHRANE RD	MADRON	1030	1,517	45	68,265		C	AC	100	$185,160	18,095	2 IN AC OVERLAY
NATIVE DANCER DR	EXCALIBER DR	BLACK PRINCE CT	NATIVE	1020	1,003	40	40,128	8/12/2013	C	AC	100	$108,842	17,757	2 IN AC OVERLAY

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Year: 2019

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OLYMPIC DR	EDMUNDSON AVE	DENALI DR	OLYMPI	1010	1,398	48	67,104	8/12/2013	C	AC	100	$182,011	17,414	2 IN AC OVERLAY
SADDLEBACK DR	EAST DUNNE AV	NORTH END	SADDLE	1010	365	36	13,140	8/12/2013	C	AC	100	$35,641	17,386	2 IN AC OVERLAY
SAN PEDRO AV	BUTTERFIELD AV	CORY LN	SANPED	1030B	556	40	22,240	8/12/2013	C	AC	100	$60,324	16,991	2 IN AC OVERLAY
SAN PEDRO AV	SAN BENITO DR	SAN RAMON DR	SANPED	1050	898	40	35,904	8/12/2013	C	AC	100	$97,385	16,991	2 IN AC OVERLAY
SERENE DR	WALNUT GROVE DR	DIANA AV	SERENE	1010	792	48	38,016	8/12/2013	C	AC	100	$103,114	16,992	2 IN AC OVERLAY
SPRING AV	DEWITT AV	WILD OAK WY	SPRING	1010	950	30	28,500	8/12/2013	C	AC	100	$77,303	17,755	2 IN AC OVERLAY
SPRING AV	WILLOW CREEK DR	LONE HILL DR	SPRING	1030	686	28	19,208	8/12/2013	C	AC	100	$52,100	16,991	2 IN AC OVERLAY
TECHNOLOGY DR	JARVIS DR	SERENE DR	TECHNO	1010	1,783	37	65,971	8/12/2013	C	AC	100	$178,938	17,014	2 IN AC OVERLAY
TENNANT AV	RAILROAD AV	CAPUTO DR	TENNAN	1030	813	72	58,536	8/12/2013	A	AC/AC	100	$207,003	15,454	2 IN AC OVERLAY
TRAIL DR	PVT CHG	BARRETT AV	TRAILD	1020	691	36	24,876	8/12/2013	A	AC	100	$87,970	16,662	2 IN AC OVERLAY
W EDMUNDSON AV	PARK ENTRANCE	MONTEREY ST	WEDMUN	1020	1,056	72	76,032	8/12/2013	A	AC	100	$268,875	17,912	2 IN AC OVERLAY
								Treatment Total				$4,279,959		
HILL RD	SUNDANCE DR	EAST DUNNE AV	HILLRD	1020	845	44	37,180	8/12/2013	A	AC/AC	100	$158,873	18,463	2 IN AC OVERLAY W/ FABRIC
								Treatment Total				$158,873		
ARCHFIELD CT	JASMINE WY	END	ARCHFI	1010	211	40	8,448	8/12/2013	R	AC	90	$2,112	37,018	SLURRY SEAL - TYPE II
ASCOT CT	END	HEATHERWOOD WY	ASCOTC	1010	106	53	5,597	8/12/2013	R	AC	84	$1,399	46,739	SLURRY SEAL - TYPE II
BARNELL AV	SPRING AV	WEST DUNNE AV	BARNEL	1010	1,373	40	54,912	8/12/2013	R	AC/AC	88	$13,723	44,402	SLURRY SEAL - TYPE II
BRADFORD WY	JASMINE WY	RINGEL DR	BRADFO	1010	1,299	40	51,960	8/12/2013	R	AC	90	$12,985	37,888	SLURRY SEAL - TYPE II
BRADFORD WY	DIANA AV	JASMINE WY	BRADFO	1020	855	40	34,200	8/12/2013	R	AC	90	$8,547	37,026	SLURRY SEAL - TYPE II
CALLE CABEZAL	PVT CHG	END	CALLCZ	1020	373	36	13,428	8/12/2013	R	AC	84	$3,356	46,739	SLURRY SEAL - TYPE II
CALLE MAZATAN	CENTRAL AVE	E. MAIN AVE	CALLEM	1030	944	37	34,928	8/12/2013	R	AC	87	$8,729	44,744	SLURRY SEAL - TYPE II
CALLE VERDE	CALLE MAZATAN	CALLE CERRO	CALLEV	1010	358	33	11,814	8/12/2013	R	AC	90	$2,953	38,771	SLURRY SEAL - TYPE II
CANTOR CT	END	CANTOR DR	CANTCT	1010	158	34	5,386	8/12/2013	R	AC	84	$1,346	46,739	SLURRY SEAL - TYPE II
EAST DUNNE AV	CONDIT RD	MURPHY AV	EDUNNE	1050	634	88	52,960	8/12/2013	A	AC/AC	92	$17,168	42,351	SLURRY SEAL - TYPE II
EAST DUNNE AV	MURPHY AV	PEPPERTREE DR	EDUNNE	1060	1,267	88	103,832	8/12/2013	A	AC/AC	92	$33,659	42,351	SLURRY SEAL - TYPE II

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EAST DUNNE AV	PEPPERTREE DR	PINE WY	EDUNNE	1070	792	88	64,400	8/12/2013	A	AC/AC	92	$20,877	42,351	SLURRY SEAL - TYPE II
EAST DUNNE AV	PINE WY	TASSAJARA CR	EDUNNE	1080	1,215	88	98,760	8/12/2013	A	AC/AC	92	$32,015	42,351	SLURRY SEAL - TYPE II
EAST DUNNE AV	TASSAJARA CR	HILL RD	EDUNNE	1090	1,056	88	82,208	8/12/2013	A	AC/AC	92	$26,649	42,351	SLURRY SEAL - TYPE II
EL TORO ST	DEL MONTE	MONTEREY ST	ELTOST	1015	625	40	25,000	8/12/2013	R	AC	84	$6,248	46,739	SLURRY SEAL - TYPE II
EXCALIBER DR	WHITE CLOUD DR	PRANCER CT	EXCADR	1030	964	37	35,668	8/12/2013	R	AC	90	$8,914	38,866	SLURRY SEAL - TYPE II
EXCALIBER DR	PRANCER CT	NATIVE DANCER	EXCADR	1040	524	37	19,388	8/12/2013	R	AC	90	$4,846	38,866	SLURRY SEAL - TYPE II
EXCALIBER DR	NATIVE DANCER	CUL-DE-SAC	EXCADR	1050	519	33	17,127	8/12/2013	R	AC	90	$4,281	38,866	SLURRY SEAL - TYPE II
FIELDSHIRE WY	END	JASMINE WY	FIELDS	1010	317	40	12,672	8/12/2013	R	AC	84	$3,167	46,739	SLURRY SEAL - TYPE II
GRAND PRIX WY	E. CENTRAL AV	E. MAIN AVE	GRANDP	1030	963	33	31,779	8/12/2013	R	AC	84	$7,942	46,739	SLURRY SEAL - TYPE II
HALF RD	GOULD LN	ELM AV	HALFRD	1020	317	22	6,974	8/12/2013	R	AC	84	$1,743	46,739	SLURRY SEAL - TYPE II
HAMPSHIRE CT	END	BERKSHIRE DR	HAMPSH	1010	158	40	6,336	8/12/2013	R	AC	84	$1,584	46,739	SLURRY SEAL - TYPE II
HEATHERWOOD WY	KATYBETH WY	CUL DE SAC	HEATHE	1010	945	40	38,989	8/12/2013	R	AC	84	$9,744	46,739	SLURRY SEAL - TYPE II
KATYBETH WY	HILL RD	W/O HEATHERWOOD WY	KATYBE	1005	510	40	20,400	8/12/2013	R	AC	84	$5,098	46,739	SLURRY SEAL - TYPE II
KENNEBEC CT	E/O PEET RD	CUL DE SAC	KENNEB	1010	254	32	9,813	8/12/2013	R	AC	84	$2,453	46,923	SLURRY SEAL - TYPE II
LA ROCCA CT	BELLINI WY	END (SW)	LAROCC	1005	144	40	5,760	8/12/2013	R	AC	84	$1,440	46,739	SLURRY SEAL - TYPE II
LA VISTA CT	END	SUNNYSIDE AV	LAVIST	1010	370	39	14,414	8/12/2013	R	AC	84	$3,603	46,739	SLURRY SEAL - TYPE II
LLAGAS RD	TERESA LN	LLAGAS CT	LLAGAS	1080	1,950	22	42,900	8/12/2013	C	AC/AC	90	$13,907	35,050	SLURRY SEAL - TYPE II
LLAGAS RD	MURPHY SPRINGS DR	HALE AV	LLAGAS	1110A	396	52	20,592	8/12/2013	C	AC/AC	90	$6,676	35,050	SLURRY SEAL - TYPE II
MALLGUERRA AV	N/O COCHRANE	375 FT N/O COCHRANE	MALLGU	1005	375	24	9,000	10/12/2011	R	AC/AC	88	$2,250	44,331	SLURRY SEAL - TYPE II
MONTEREY ST	SECOND ST	KEYSTONE AV	MONTER	1120	1,004	60	60,240	8/12/2013	A	AC/AC	91	$19,528	50,203	SLURRY SEAL - TYPE II
MONTEREY ST	KEYSTONE AV	CENTRAL AV	MONTER	1130	686	75	51,450	8/12/2013	A	AC/AC	91	$16,679	50,203	SLURRY SEAL - TYPE II
MONTEREY ST	CENTRAL AV	WRIGHT AV	MONTER	1140	1,003	88	88,264	8/12/2013	A	AC/AC	91	$28,613	50,203	SLURRY SEAL - TYPE II
MORNING STAR DR	E/O PEET RD	W/O MALGUERRA AVE	MORNIN	1010	1,431	32	47,477	8/12/2013	R	AC	84	$11,865	46,923	SLURRY SEAL - TYPE II
OAKGROVE DR	WRIGHT AV	OAKGROVE CT	OAKGRD	1010	528	33	17,424	8/12/2013	R	AC	90	$4,355	37,018	SLURRY SEAL - TYPE II

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OLD MONTEREY RD	MONTEREY ST	LLAGAS RD	OLDMON	1010	1,109	28	31,052	8/12/2013	R	AC/AC	81	$7,760	41,927	SLURRY SEAL - TYPE II
PEPPERTREE DR	SEVILLE DR	EAST DUNNE AV	PEPTRD	1010	793	40	32,736	9/29/2008	R	AC/AC	88	$8,181	44,546	SLURRY SEAL - TYPE II
PIAZZA WY	S/O W. EDMONSON	CUL DE SAC	PIAZZA	1010	439	28	12,292	8/12/2013	R	AC	89	$3,072	40,014	SLURRY SEAL - TYPE II
RAILROAD AV	CITY LIMITS	FISHER AV	RAILRO	1010	845	24	20,275	8/12/2013	R	AC	90	$5,067	37,112	SLURRY SEAL - TYPE II
RAILROAD AV	FISHER AV	TENNANT AV	RAILRO	1020	1,690	24	40,550	8/12/2013	R	AC	87	$10,134	43,846	SLURRY SEAL - TYPE II
RAVENSWOOD CT	N/O MORNING STAR	CUL DE SAC	RAVENS	1010	446	32	15,957	8/12/2013	R	AC	84	$3,988	46,923	SLURRY SEAL - TYPE II
SAFFRON DRIVE	325 FT N/O CURRY AV	CUL-DE-SAC	SAFFDR	1030	1,066	34	38,109	8/12/2013	R	AC	88	$9,524	42,670	SLURRY SEAL - TYPE II
SAN GABRIEL CT	S/O SAN GABRIEL AVE	CUL DE SAC	SANGAC	1010	534	29	18,094	8/12/2013	R	AC	89	$4,522	41,473	SLURRY SEAL - TYPE II
SAN PABLO CT	W/O SAN BENITO PL	CUL DE SAC	SANPAB	1010	310	32	11,449	8/12/2013	R	AC	84	$2,862	46,769	SLURRY SEAL - TYPE II
SAN RAMON DR	BARRETT AVE	ST TIMOTHY PL	SANRAM	1030	245	37	9,065	8/12/2013	R	AC	84	$2,266	47,032	SLURRY SEAL - TYPE II
SAN RAMON DR	SAN MARCUS CT	SAN RAMON CT	SANRAM	1040	799	37	29,563	8/12/2013	R	AC	84	$7,388	47,032	SLURRY SEAL - TYPE II
SAN RAMON CT	SAN RAMON DR	CUL-DE-SAC	SANRCT	1010	380	33	12,540	8/12/2013	R	AC	84	$3,134	47,032	SLURRY SEAL - TYPE II
SANTA INES WY	ALCALA CT	W/O SERRA AVENIDA	SANTAI	1010	799	36	28,764	8/12/2013	R	AC	84	$7,189	47,032	SLURRY SEAL - TYPE II
SAVANNAH CT	N/O MORNING STAR	CUL DE SAC	SAVANN	1010	437	32	15,151	8/12/2013	R	AC	84	$3,787	46,923	SLURRY SEAL - TYPE II
SCOTTS BLUFF PL	DENALI DR	CUL-DE-SAC	SCOTTS	1010	398	33	13,134	8/12/2013	R	AC	84	$3,283	47,032	SLURRY SEAL - TYPE II
SEVILLE DR	MALAGA DR	END	SEVILL	1010	898	40	35,904	11/3/2011	R	AC	88	$8,973	42,865	SLURRY SEAL - TYPE II
SHAFER AV	HILL RD	CONTE WY	SHAFER	1010	1,205	32	38,560	8/12/2013	R	AC	86	$9,637	45,581	SLURRY SEAL - TYPE II
SIERRA CT	LLAGAS RD	T AT N END	SIERRA	1025	230	33	7,590	8/12/2013	R	AC	84	$1,897	47,032	SLURRY SEAL - TYPE II
SIERRA CT	W END	E END	SIERRA	1028	351	33	11,583	8/12/2013	R	AC	84	$2,895	47,032	SLURRY SEAL - TYPE II
SKIP AWAY CT	WHITE CLOUD DR	CUL-DE-SAC	SKIPAW	1010	388	33	12,804	8/12/2013	R	AC	90	$3,200	38,866	SLURRY SEAL - TYPE II
SOLANO CT	DE LOS PADRES	CUL DE SAC	SOLANO	1010	466	33	15,378	8/12/2013	R	AC	84	$3,843	47,032	SLURRY SEAL - TYPE II
SORRELL WY	CIMARRON DR	EAST DUNNE AV	SORRWY	1020	950	40	38,016	8/12/2013	R	AC	84	$9,501	46,739	SLURRY SEAL - TYPE II
ST KATHERINE DR	S/O ALICANTE DR	N/O ESPANA WY	STKATH	1010	815	36	29,340	8/12/2013	R	AC	88	$7,333	43,065	SLURRY SEAL - TYPE II
ST. LAWRENCE DR	ST. TIMOTHY PL	ST. JAMES DR	STLAWR	1020	542	37	20,054	8/12/2013	R	AC	84	$5,012	46,739	SLURRY SEAL - TYPE II
ST. MICHAEL PL	ST. LAWRENCE	CUL-DE-SAC	STMICH	1010	312	37	11,544	8/12/2013	R	AC	84	$2,885	46,739	SLURRY SEAL - TYPE II
STONE GATE CT	END	SUNNYSIDE AV	STONEG	1010	422	40	16,896	8/12/2013	R	AC	84	$4,223	46,739	SLURRY SEAL - TYPE II
ST. TIMOTHY PL	SAN RAMONE DR	CUL-DE-SAC (E)	STTIMO	1010	438	37	16,206	8/12/2013	R	AC	84	$4,050	46,739	SLURRY SEAL - TYPE II

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SUTTER BL	BUTTERFIELD BLVD.	#18305 SUTTER BL	SUTTER	1000	928	86	79,808	8/12/2013	R	AC	90	$19,945	39,103	SLURRY SEAL - TYPE II
SUTTER BL	#18305 SUTTER BL	SERENE DR	SUTTER	1010	475	67	31,825	8/12/2013	R	AC	89	$7,954	40,615	SLURRY SEAL - TYPE II
TILTON AV	DOUGHERTY AV	MONTEREY ST	TILTON	1020	1,056	26	27,456	8/12/2013	R	AC	87	$6,862	44,802	SLURRY SEAL - TYPE II
TOLUSA CT	DE LOS PADRES	CUL DE SAC	TOLUSA	1010	436	33	14,388	8/12/2013	R	AC	84	$3,596	47,032	SLURRY SEAL - TYPE II
VILLA NAVONA WY	VIA DE NINOS	LA JOLLA DR	VILLAN	1010	518	37	19,166	8/12/2013	R	AC	84	$4,790	47,032	SLURRY SEAL - TYPE II
VINEYARD BL	MONTEREY ST	CONCORD CR	VINEYA	1020	1,108	61	61,142	8/12/2013	C	AC/AC	80	$19,821	45,991	SLURRY SEAL - TYPE II
WATERTON CT	DENALI DR	CUL-DE-SAC	WATER	1010	383	33	12,639	8/12/2013	R	AC	84	$3,159	47,032	SLURRY SEAL - TYPE II
WATSONVILLE RD	CITY LIMITS	PRATOLA CT	WATSON	1010	951	80	46,464	11/4/2011	A	AC/AC	91	$15,062	50,203	SLURRY SEAL - TYPE II
WATSONVILLE RD	PRATOLA CT	VIA SORRENTO	WATSON	1020	1,056	80	56,602	11/4/2011	A	AC/AC	91	$18,349	50,203	SLURRY SEAL - TYPE II
WATSONVILLE RD	VIA SORRENTO	CALLE ENRIQUE	WATSON	1030	1,162	59	68,558	2/3/2012	A	AC/AC	91	$22,225	50,203	SLURRY SEAL - TYPE II
WATSONVILLE RD	CALLE ENRIQUE	594 FT W/MONTEREY ST	WATSON	1040A	1,782	59	105,138	2/3/2012	A	AC/AC	91	$34,082	50,203	SLURRY SEAL - TYPE II
WATSONVILLE RD	594 FT W/MONTEREY ST	MONTEREY ST	WATSON	1040B	594	30	17,820	8/12/2013	A	AC/AC	91	$5,777	50,203	SLURRY SEAL - TYPE II
W DUNNE AV	DEWITT AV	EVERGREEN DR	WDUNNE	1030	898	40	35,904	10/20/2011	C	AC/AC	86	$11,639	45,635	SLURRY SEAL - TYPE II
WEICHERT DR	BELLETO DR	DEAD END	WEICHE	1010	210	37	7,770	8/12/2013	R	AC	84	$1,942	47,032	SLURRY SEAL - TYPE II
WHITE CLOUD CT	EXCALIBER DR	CUL-DE-SAC	WHITEC	1010	529	37	19,573	8/12/2013	R	AC	90	$4,892	38,866	SLURRY SEAL - TYPE II
WHITNEY WY	SUNSET AV	OLYMPIC DR	WHITNE	1010	393	37	14,541	8/12/2013	R	AC	84	$3,634	47,032	SLURRY SEAL - TYPE II
WEST MAIN AV	HALE AV	DEL MONTE AV	WMAINA	1050	686	44	30,202	8/12/2013	A	AC/AC	92	$9,791	42,351	SLURRY SEAL - TYPE II
WEST MAIN AV	DEL MONTE AV	MONTEREY ST	WMAINA	1060	616	44	27,104	8/12/2013	A	AC/AC	92	$8,787	42,351	SLURRY SEAL - TYPE II
YELLOWSTONE WY	SUNSET AV	OLYMPIC DR	YELLOW	1010	393	37	14,541	8/12/2013	R	AC	84	$3,634	47,032	SLURRY SEAL - TYPE II
								Treatment Total				$702,001		
BARRETT AV	MONTEREY ST	CHURCH ST	BARRET	1010	634	36	22,810	8/12/2013	C	AC	80	$7,395	36,833	SLURRY SEAL
CHURCH ST	TENNANT AV	EDMUNDSON AV	CHURCH	1010	581	36	20,916	8/12/2013	C	AC	79	$6,781	36,134	SLURRY SEAL
CONDIT RD	60' N/ BARRETT AV (PVMT CHG)	N/O SAN PEDRO AV (WDTH CHG)	CONDIT	1020	1,615	48	77,520	8/12/2013	C	AC	79	$25,130	36,134	SLURRY SEAL
CONDIT RD	EAST DUNNE AV	COUNTY MARKER	CONDIT	1040	1,004	32	30,307	8/12/2013	C	AC	79	$9,825	36,134	SLURRY SEAL

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2019

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
DEPOT ST	FIFTH ST	FOURTH ST	DEPOTS	1015	442	36	15,912	8/12/2013	C	AC	79	$5,159	36,134	SLURRY SEAL
KINGS CANYON CT	COSMO AVE	CUL-DE-SAC	KINGSC	1010	187	33	5,102	8/12/2013	C	AC	81	$1,654	37,741	SLURRY SEAL
NATIVE DANCER DR	SANTA TERESA BL	EXCALIBER DR	NATIVE	1010	686	50	34,300	8/12/2013	C	AC	79	$11,119	36,132	SLURRY SEAL
SAN PEDRO AV	CORY LN	SAN BENITO DR	SANPED	1040	581	40	23,232	8/12/2013	C	AC	81	$7,531	37,743	SLURRY SEAL
SAN PEDRO AV	CONDIT RD	500 FT/CONDIT RD (CLL)	SANPED	1080	500	34	17,000	8/12/2013	C	AC	79	$5,511	36,134	SLURRY SEAL
SERENE DR	EAST MAIN AV	CORNICHE DR	SERENE	1040	655	30	19,650	8/12/2013	C	AC	79	$6,370	36,132	SLURRY SEAL
SERENE DR	CORNICHE DR	CENTRAL AV	SERENE	1050	348	28	9,744	8/12/2013	C	AC	81	$3,159	37,741	SLURRY SEAL
SERENE DR	JARVIS DR	SUTTER BL	SERENE	1110	950	58	55,123	8/12/2013	C	AC	82	$17,869	38,375	SLURRY SEAL
SERENE DR	JARVIS DR	DEAD END	SERENE	1120	765	56	42,840	8/12/2013	C	AC	86	$13,888	40,628	SLURRY SEAL
SUNSET AV	BRYCE DR	DENALI DR	SUNSET	1010	739	30	22,170	8/12/2013	C	AC	81	$7,187	37,741	SLURRY SEAL
SUTTER PL	DIGITAL DR	END	SUTTPL	1010	225	34	7,650	8/12/2013	C	AC	81	$2,480	43,535	SLURRY SEAL
											Treatment Total	$131,058		
				Year 2019 Area Total			4,444,950				Year 2019 Total	$5,337,979		

Year: 2020

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
ASPEN WY	PINE WY	BLUEBONNET WY	ASPENW	1010	1,215	40	48,576	8/12/2013	R	AC	71	$48,952	12,783	CAPE SEAL
AVENIDA DE LOS PADRES	E/O CAPISTRANO WY	E/O SERRA AVENIDA	AVDELO	1020	618	36	22,248	8/12/2013	R	AC	77	$22,421	12,767	CAPE SEAL
BELLETO DR	E. MAIN AVE	CUL-DE-SAC SOUTH	BELLET	1020	1,480	37	54,760	8/12/2013	R	AC	75	$55,184	12,991	CAPE SEAL
CAPRICE CT	END	GRAND PRIX WY	CAPRIC	1010	211	40	8,448	8/12/2013	R	AC	71	$8,514	12,783	CAPE SEAL
CHRISTEPH DR	END W. OF LLAGAS VISTA	LLAGAS RD	CHRIST	1010	1,368	37	50,616	8/12/2013	R	AC	75	$51,008	12,836	CAPE SEAL
EASY ST	SHADOWLANE CT	END (GATE)	EASYST	1030	1,214	40	48,576	8/12/2013	R	AC	71	$48,952	13,439	CAPE SEAL
EAST CENTRAL AVE	E/O LANCIA DR	SERENE DR	ECENRT	1035	530	48	25,440	8/12/2013	R	AC	75	$25,637	12,631	CAPE SEAL
LA JOLLA CT	LA CROSSE DR	END	LAJOLC	1010	581	40	23,232	8/12/2013	R	AC	74	$23,412	13,913	CAPE SEAL
ROBLE DR	ALAMEDA DR	ENCINO DR	ROBLED	1010B	225	40	9,000	8/12/2013	R	AC/AC	75	$9,070	12,615	CAPE SEAL
SERRA AVENIDA	N/O AVENIDA DE LOS PADRES	S/O SANTA INES	SERAVE	1010	594	36	21,384	8/12/2013	R	AC	76	$21,550	12,714	CAPE SEAL
THIRD ST	MONTEREY ST	DEPOT ST	THIRDS	1013	560	60	33,600	9/25/2008	R	AC	76	$33,860	13,919	CAPE SEAL

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

								Treatment Total				$348,560		
COCHRANE RD	ADAMS CT	SUTTER BL	COCHRA	1030	1,214	70	84,980	8/12/2013	A	AC/AC	100	$309,534	15,792	2 IN AC OVERLAY
COCHRANE RD	HWY 101 ONRAMP	HWY 101 OFFRAMP	COCHRA	1050	898	70	62,860	8/12/2013	A	AC/AC	100	$228,963	15,792	2 IN AC OVERLAY
EAST MAIN AV	BELLETO DR	SERENE DR	EMAINA	1051B	351	51	17,901	8/12/2013	A	AC/AC	100	$75,288	14,426	2 IN AC OVERLAY
LA ALAMEDA DR	ROBLE DR	LA CROSSE DR	LAALAM	1030	687	40	27,456	8/12/2013	C	AC/AC	100	$76,705	15,657	2 IN AC OVERLAY
MONTEREY ST	WATSONVILLE RD	VINEYARD BL	MONTER	1030	1,954	95	185,630	8/12/2013	A	AC/AC	100	$780,720	15,418	2 IN AC OVERLAY
SUNNYSIDE AV	APPIAN WY	CASINO REAL	SUNNYS	1030	1,637	30	49,104	8/12/2013	A	AC/AC	100	$206,521	13,929	2 IN AC OVERLAY
								Treatment Total				$1,677,731		
CIMARRON DR	CALERO CT	END	CIMARR	1040	739	40	29,568	8/12/2013	R	AC	100	$122,526	12,211	2 IN AC OVERLAY W/ FABRIC
CONDIT RD	SAN PEDRO AV	564' S/O EAST DUNNE AV	CONDIT	1030	1,177	37	43,549	8/12/2013	C	AC/AC	100	$191,671	12,719	2 IN AC OVERLAY W/ FABRIC
COSMO AV	DEL MONTE AV	MONTEREY ST	COSMOA	1010	950	40	38,016	8/12/2013	C	AC	100	$167,319	13,155	2 IN AC OVERLAY W/ FABRIC
DAFFODIL CT	BLUEBONNET WY	END	DAFFOD	1010	158	40	6,336	8/12/2013	R	AC	100	$26,256	12,278	2 IN AC OVERLAY W/ FABRIC
DE ANZA CT	END	EASY ST	DEANZA	1010	317	40	12,672	8/12/2013	R	AC	100	$52,512	12,232	2 IN AC OVERLAY W/ FABRIC
DEWITT AV	CITY LIMITS	WEST DUNNE AV	DEWITT	1010	900	40	36,000	8/12/2013	C	AC	100	$158,446	13,245	2 IN AC OVERLAY W/ FABRIC
EAST DUNNE AV	THOMAS GRADE	HOLIDAY DR	EDUNNE	1160	950	36	40,550	8/12/2013	C	AC	100	$178,472	13,332	2 IN AC OVERLAY W/ FABRIC
FOOTHILL CT	DEL MONTE AV	END	FOOTHC	1020	186	49	9,114	8/12/2013	R	AC	100	$37,768	12,232	2 IN AC OVERLAY W/ FABRIC
HALE AV	KNOB HILL TR	WARREN AV	HALEAV	1010	264	35	9,240	8/12/2013	A	AC	100	$40,668	17,806	2 IN AC OVERLAY W/ FABRIC
JOHN TELFER DR	PVT CHG	PRICE DR	JOHNTE	1040	510	28	14,280	8/12/2013	R	AC	100	$59,175	12,214	2 IN AC OVERLAY W/ FABRIC
LA CROSSE DR	LA ALAMEDA DR	LA PALA CT	LACROS	1010	898	50	44,900	8/12/2013	C	AC	100	$197,617	13,245	2 IN AC OVERLAY W/ FABRIC
LA PORTE CT	END	LA CROSSE DR	LAPORT	1010	475	40	19,008	8/12/2013	R	AC	100	$78,767	12,296	2 IN AC OVERLAY W/ FABRIC
LLAGAS RD	WOODLAND AV	COUNTY MARKER	LLAGAS	1020	1,003	22	22,070	8/12/2013	C	AC	100	$97,136	13,155	2 IN AC OVERLAY W/ FABRIC

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2020

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
LLAGAS RD	DEL MONTE AV	OLD MONTEREY RD	LLAGAS	1120	845	68	57,460	8/12/2013	C	AC	100	$252,897	13,459	2 IN AC OVERLAY W/ FABRIC
MEADOW CT	END	JASMINE WY	MEADOW	1010	106	40	4,224	8/12/2013	R	AC	100	$17,504	12,232	2 IN AC OVERLAY W/ FABRIC
NATIVE DANCER DR	BLACK PRINCE CT	WEST MIDDLE AV	NATIVE	1030	1,056	40	42,240	8/12/2013	C	AC	100	$185,910	13,459	2 IN AC OVERLAY W/ FABRIC
OLIVE AV	WATSONVILLE RD	BONNER CT	OLIVEA	1010	1,795	19	34,105	8/12/2013	C	AC	100	$150,106	13,323	2 IN AC OVERLAY W/ FABRIC
PEAK AV	WEST DUNNE AV	ALKIRE AV	PEAKAV	1010	898	46	41,290	8/12/2013	C	AC	100	$181,729	13,391	2 IN AC OVERLAY W/ FABRIC
PEAK AV	W. MAIN	ALKIRE AV	PEAKAV	1050	671	42	28,182	8/12/2013	C	AC	100	$124,037	13,245	2 IN AC OVERLAY W/ FABRIC
ROCKY RIDGE RD	GREENWOOD AV	END	ROCKYR	1010	845	24	20,275	8/12/2013	R	AC	100	$84,017	12,296	2 IN AC OVERLAY W/ FABRIC
SAN PEDRO AV	NINA LN	END	SANPED	1070	327	24	7,848	8/12/2013	C	AC	100	$34,542	13,323	2 IN AC OVERLAY W/ FABRIC
SAN RAMON DR	SAN PEDRO AVE	SAN MARCUS CT	SANRAM	1010	528	40	21,120	8/12/2013	R	AC	100	$87,519	12,296	2 IN AC OVERLAY W/ FABRIC
SECOND ST	W/O MONTEREY	DEPOT ST	SECOND	1015	610	40	24,400	8/12/2013	R	AC	100	$101,111	12,278	2 IN AC OVERLAY W/ FABRIC
SPRING AV	LONE HILL DR	DEL MONTE AV	SPRING	1040	1,056	36	38,016	8/12/2013	C	AC	100	$167,319	13,391	2 IN AC OVERLAY W/ FABRIC
SPRING AV	DEL MONTE AV	MONTEREY ST	SPRING	1070	950	40	38,016	8/12/2013	C	AC	100	$167,319	13,065	2 IN AC OVERLAY W/ FABRIC
SPUR CT	SORRELL WY	END	SPURCT	1010	211	40	8,448	8/12/2013	R	AC	100	$35,008	12,285	2 IN AC OVERLAY W/ FABRIC
VINEYARD BL	MONTEREY ST	LA CROSSE DR	VINEYA	1010B	1,003	36	36,108	8/12/2013	C	AC	100	$158,921	13,391	2 IN AC OVERLAY W/ FABRIC
								Treatment Total				$3,156,272		
SERENE DR	ENGLISH WALNUT WY	EAST MAIN AV	SERENE	1030	1,005	41	41,205	8/12/2013	C	AC	100	$49,879	38,140	CAPE SEALS
SPRING AV	WILD OAK WY	WILLOW CREEK DR	SPRING	1020	634	29	18,386	8/12/2013	C	AC	100	$22,257	38,136	CAPE SEALS
								Treatment Total				$72,136		
GRAND PRIX WY	LA SABRE CT	EAST MAIN AV	GRANDP	1020	1,140	40	45,600	8/12/2013	R	AC	100	$11,738	140,176	SLURRY SEALS
LA VIA AZUL	LA MAR DR	LA JOLLA DR	LAVIAA	1010	211	40	8,448	8/12/2013	R	AC	100	$2,175	136,222	SLURRY SEALS

** - Treatment from Project Selection

Scenarios Criteria:

								Treatment Total				$13,913			
LLAGAS RD	LLAGAS CT	CHRISTEPH DR	LLAGAS	1090	950	45	42,750	8/12/2013	C	AC/AC	89	$14,274	38,138	SLURRY SEAL - TYPE II
LLAGAS RD	CHRISTEPH DR	MURPHY SPRINGS DR	LLAGAS	1100	951	46	38,861	8/12/2013	C	AC/AC	89	$12,976	38,138	SLURRY SEAL - TYPE II
MISSION VIEW DR	COCHRANE RD	AVENIDA DE LOS PADRES	MISSVW	1010	1,360	49	66,640	8/12/2013	R	AC/AC	91	$17,153	37,720	SLURRY SEAL - TYPE II
MISSION VIEW DR	AVENIDA DE LOS PADRES	HALF RD	MISSVW	1020	1,900	28	53,200	8/12/2013	R	AC/AC	91	$13,694	37,720	SLURRY SEAL - TYPE II
WEST MAIN AV	PEAK AV	CREST AV	WMAINA	1030	713	43	30,659	8/12/2013	C	AC/AC	90	$10,237	34,029	SLURRY SEAL - TYPE II
								Treatment Total				$68,334			
BELLETO DR	BENTLEY DR	E. MAIN AVE	BELLET	1010	342	37	12,654	8/12/2013	R	AC	85	$17	2,459,036	SEAL CRACKS
BELLINI WY	LA ROCCA CT	EXCALIBER DR	BELLWY	1010	975	34	33,150	8/12/2013	R	AC	85	$42	2,053,580	SEAL CRACKS
BENTLEY DR	LANCIA DR	CUL-DE-SAC N. OF CORNICHE DR	BENTLE	1010	875	37	33,780	8/12/2013	R	AC	85	$44	2,459,036	SEAL CRACKS
BRIX WY	N/O DOMAINE DR	S/O E. DUNNE AVE	BRIXWY	1010	155	37	5,735	8/12/2013	R	AC	81	$11	1,912,681	SEAL CRACKS
BUGATTI PL	BELLETO DR	CUL-DE-SAC	BUGATT	1010	155	33	5,115	8/12/2013	R	AC	84	$8	2,350,535	SEAL CRACKS
CALLE HERMOSA	E. CENTRAL AVE	CALLE BUENA VISTA	CALHER	1020	720	33	23,760	8/12/2013	R	AC	81	$43	1,988,092	SEAL CRACKS
CALICO CT	SORRELL DR	CUL-DE-SAC	CALICO	1010	218	33	7,194	8/12/2013	R	AC	85	$10	2,459,036	SEAL CRACKS
CALLE CENTRAL	E. CENTRAL AV	CALLE TIERA	CALLEC	1020	784	37	29,008	8/12/2013	R	AC	81	$52	1,988,092	SEAL CRACKS
CALLE FLORENCIA	CUL-DE-SAC OFF GRAND PRIX	CUL-DE-SAC WEST	CALLEF	1010	657	33	21,681	8/12/2013	R	AC	86	$26	2,583,821	SEAL CRACKS
CALLE CERRO	CALLE MAZATAN	END	CALLEO	1010	809	33	26,697	8/12/2013	R	AC	84	$38	2,350,535	SEAL CRACKS
CALLE SIENNA	365 FT E/O GRAND PRIX	CUL-DE-SAC WEST	CALLES	1010	615	33	21,988	8/12/2013	R	AC	86	$26	2,583,821	SEAL CRACKS
CALLE SUENO	N/O WATSONVILLE RD	N/O VIA NARRETTO	CALSUE	1010	446	29	12,934	8/12/2013	R	AC	83	$20	2,042,192	SEAL CRACKS
CALLE VIENTO	170' W/O CALLE TIERRA (PAVE CHANGE)	CALLE TIERRA	CALVIE	1010	1,153	32	36,896	8/12/2013	R	AC	83	$56	2,044,898	SEAL CRACKS

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2020

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
CARMELO CT	MISSION AVE	CUL-DE-SAC	CAMELO	1010	369	33	12,177	8/12/2013	R	AC	85	$16	2,459,036	SEAL CRACKS
CAPISTRANO WY	DE LOS PADRES	SANTA INES WAY	CAPIST	1010	843	37	31,191	8/12/2013	R	AC	85	$40	2,459,036	SEAL CRACKS
CASCADE CT	OLYMPIC DR	CUL-DE-SAC	CASCAD	1010	510	33	16,830	8/12/2013	R	AC	86	$20	2,583,821	SEAL CRACKS
CHEYENNE CT	N/O MORNING STAR	CUL DE SAC	CHEYEN	1010	435	32	15,605	8/12/2013	R	AC	86	$19	2,521,942	SEAL CRACKS
CHINOOK CT	S/O EAGLE VIEW	CUL DE SAC	CHINOO	1010	499	32	17,422	8/12/2013	R	AC	86	$20	2,306,910	SEAL CRACKS
CLARET DR	E. DUNNE	DOMAINE CT	CLARDR	1010	213	34	7,242	8/12/2013	R	AC	86	$9	2,104,366	SEAL CRACKS
CORNICHE DR	BENTLEY DR	SERENE DR	CORNIC	1010	298	33	9,834	8/12/2013	R	AC	85	$13	2,459,036	SEAL CRACKS
CORSA PL	E/O BELLATO DR	CUL DE SAC	CORSAP	1010	109	35	5,137	8/12/2013	R	AC	83	$8	2,222,678	SEAL CRACKS
DAKOTA DR	LOTUS WAY	DEAD END	DAKOTA	1010	215	28	6,020	8/12/2013	R	AC	83	$10	2,212,454	SEAL CRACKS
DALE HOLLOW CT	S/O SPRING AVE	CUL DE SAC	DALEHO	1010	358	32	12,985	8/12/2013	R	AC	83	$20	1,989,805	SEAL CRACKS
CALLE DEL SOL WY	CALLE CABEZAL	CUL-DE-SAC	DELSOL	1010	1,065	36	39,817	8/12/2013	R	AC	84	$56	2,350,535	SEAL CRACKS
DENALI DR	COSMO AVE	OLYMPIC DR	DENALI	1010	793	48	38,064	8/12/2013	R	AC	85	$49	2,459,036	SEAL CRACKS
DIGITAL DRIVE	BUTTERFIELD BLVD	BUTTERFIELD BLVD	DIGIDR	1010	2,280	34	77,520	8/12/2013	C	AC	87	$48	2,958,924	SEAL CRACKS
DOMAINE CT	E/O MALBEC DR	CUL DE SAC	DOMAIC	1010	272	32	10,311	8/12/2013	R	AC	86	$12	2,367,472	SEAL CRACKS
DOMAINE DR	BRIX WY	MALBEC DR	DOMAID	1010	157	32	5,024	8/12/2013	R	AC	83	$8	2,027,421	SEAL CRACKS
DOUGHERTY AV	N/O BASIL	CURRY AV	DOUGHE	1025	310	34	10,540	8/12/2013	R	AC	85	$14	2,031,443	SEAL CRACKS
EAGLE SPRINGS CT	LLAGAS CREEK DR	CUL-DE-SAC	EAGLES	1020	171	33	5,643	8/12/2013	R	AC	86	$7	2,583,821	SEAL CRACKS
EAST CENTRAL AVE	CALLE MAZATAN	265 FT W/O ASTON CT	ECENRT	1020	1,300	48	62,400	8/12/2013	R	AC	85	$82	2,384,203	SEAL CRACKS
EAST CENTRAL AVE	265 FT W/O ASTON CT	E/O LANCIA DR	ECENRT	1025	735	48	35,280	8/12/2013	R	AC	85	$46	2,384,203	SEAL CRACKS

CITY OF MORGAN HILL

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2020

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
EAST CENTRAL AVE	W/O BUTTERFIELD	CUL DE SAC	ECENTR	1010	449	29	13,534	8/12/2013	R	AC	86	$16	2,305,937	SEAL CRACKS
E EDMUNDSON AV	MONTEREY ST	CHURCH ST	EDMUND	1010	634	40	25,344	8/12/2013	A	AC	87	$16	4,251,482	SEAL CRACKS
EAST DUNNE AV	MONTEREY ST	RAILROAD X	EDUNNE	1010	950	58	47,520	8/12/2013	A	AC	87	$29	4,251,482	SEAL CRACKS
EAST DUNNE AV	HILL RD	PVT CHG 356' E/O SORRELL WY	EDUNNE	1100	1,650	87	143,550	8/12/2013	A	AC/AC	87	$88	4,251,482	SEAL CRACKS
EAST DUNNE AV	SADDLEBACK DR	GALLOP DR	EDUNNE	1120	897	58	52,026	8/12/2013	A	AC	87	$32	4,251,482	SEAL CRACKS
EAGLE VIEW DR	N/O MORNING STAR DR	W/O PEET DR	EVIEWD	1010	2,305	36	82,980	8/12/2013	R	AC	86	$101	2,405,658	SEAL CRACKS
EXCALIBER DR	BELLINI WY	WATSONVILLE RD	EXCADR	1010	150	34	5,100	8/12/2013	R	AC	85	$7	2,053,580	SEAL CRACKS
FENNEL CT	DOUGHERTY AV	CUL-DE-SAC	FENNCT	1010	473	34	17,947	8/12/2013	R	AC	89	$15	2,284,914	SEAL CRACKS
GINGER WY	W/O TAYLOR AVE	END	GINGER	1010	275	30	8,250	8/12/2013	R	AC	87	$9	2,604,549	SEAL CRACKS
HEIDI CT	END	HEIDI DR	HEIDIC	1010	158	59	9,346	8/12/2013	R	AC/AC	87	$6	4,610,722	SEAL CRACKS
HEIDI DR	PEAK AV	CREST AV	HEIDID	1010	634	40	25,344	8/12/2013	R	AC/AC	86	$21	3,398,298	SEAL CRACKS
HILL RD	EAST DUNNE AV	KATYBETH WY	HILLRD	1030	1,109	49	54,341	8/12/2013	A	AC	87	$33	4,251,482	SEAL CRACKS
JOHN WILSON WY	W/O MONTEREY ST	END	JOHNWI	1010	762	29	22,098	8/12/2013	R	AC	87	$25	2,591,301	SEAL CRACKS
LA ARBOLEDA WY	WATSONVILLE RD	END	LAARBO	1010	1,021	37	37,777	8/12/2013	R	AC	86	$44	2,583,821	SEAL CRACKS
LANCIA DR	S/O EAST CENTRAL AVE	CUL-DE-SAC S. OF BENTLEY DR	LANCIA	1010	915	37	33,855	8/12/2013	R	AC	84	$48	2,350,535	SEAL CRACKS
LEGEND CT	S/O EAGLE VIEW	CUL DE SAC	LEGEND	1010	501	32	17,717	8/12/2013	R	AC	87	$20	2,516,360	SEAL CRACKS
LLAGAS CREEK DR	LLAGAS RD	SE DEAD END	LLAGCR	1020	638	36	22,968	8/12/2013	R	AC	84	$33	2,350,535	SEAL CRACKS
LONGVIEW DR	PEAK AV	CREST AV	LONGVI	1010	686	30	20,592	8/12/2013	R	AC/AC	83	$28	2,254,479	SEAL CRACKS
LONGVIEW DR	CREST AV	HALE AV	LONGVI	1020	634	30	19,008	8/12/2013	R	AC/AC	87	$13	4,077,332	SEAL CRACKS

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2020

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
MAGNOLIA WY	E. DUNNE AVE	SADDLEBACK DR	MAGNOL	1010	795	33	26,235	8/12/2013	R	AC	83	$41	2,212,454	SEAL CRACKS
MALBEC DR	105 FT S/O DOMAINE DR	S/O DOMAINE	MALBED	1020	105	32	3,360	8/12/2013	R	AC	84	$5	2,133,172	SEAL CRACKS
MALLGUERRA AV	375 FT N/O COCHRANE	N/O SILVERWINGS CT	MALLGU	1015	825	32	26,400	8/12/2013	R	AC/AC	87	$17	4,077,332	SEAL CRACKS
MALLGUERRA AV	N/O SILVERWINGS CT	MORNING STAR DR	MALLGU	1025	390	32	12,480	8/12/2013	R	AC/AC	85	$15	2,581,714	SEAL CRACKS
MAIDEN SPRING WY	SHADOW BROOK	CARRIAGE	MASPWY	1010	315	34	10,710	8/12/2013	R	AC	86	$13	2,094,227	SEAL CRACKS
MIRA BELLA CIR	TRAIL DR	END AT TRAIL DR	MIRABE	1010	2,545	37	94,165	8/12/2013	R	AC	86	$110	2,583,821	SEAL CRACKS
MIRA FLORES CT	MIRA BELLA CIRCLE	CUL-DE-SAC	MIRAFL	1010	171	37	6,327	8/12/2013	R	AC	84	$9	2,350,535	SEAL CRACKS
MIRA LAGOS DR	MIRA BELLA CIRCLE	END	MIRALA	1010	129	37	4,773	8/12/2013	R	AC	85	$7	2,459,036	SEAL CRACKS
MIRA BELLA PL	MIRA BELLA CIRCLE	CUL-DE-SAC	MIRAPL	1010	142	37	5,254	8/12/2013	R	AC	80	$11	1,891,997	SEAL CRACKS
MONTEREY ST	EAST MIDDLE AV	WEST MIDDLE AV	MONTER	1010	1,478	75	110,850	8/12/2013	A	AC/AC	87	$68	4,251,482	SEAL CRACKS
MONTEREY ST	TENNANT AV	BARRETT AV	MONTER	1060	1,630	80	130,400	8/12/2013	A	AC/AC	87	$80	4,251,482	SEAL CRACKS
MONTEREY ST	SAN PEDRO AV	MYRTLE AV	MONTER	1090	1,214	91	110,474	8/12/2013	A	AC/AC	87	$68	4,251,482	SEAL CRACKS
MONTEREY ST	COCHRANE RD	COCHRANE CIR	MONTER	1170	950	84	79,800	8/12/2013	A	AC	87	$49	4,251,482	SEAL CRACKS
MONTEREY ST	PEEBLES AV	BURNETT AV	MONTER	1190	1,478	84	124,152	8/12/2013	A	AC	87	$76	4,251,482	SEAL CRACKS
MONTEREY ST	BURNETT AV	CITY LIMITS	MONTER	1200	1,215	72	87,480	8/12/2013	A	AC	87	$54	4,251,482	SEAL CRACKS
PALOMA CT	OLD MONTEREY RD	END	PALOMA	1010	438	20	8,760	8/12/2013	R	AC	84	$13	2,350,535	SEAL CRACKS
PEAR DR	W/O HILL RD	CUL DE SAC	PEARDR	1010	1,139	32	37,977	8/12/2013	R	AC	83	$57	2,065,508	SEAL CRACKS
PEET RD	N/O COCHRANE RD	N/O MORNING STAR	PEETRD	1010	1,420	36	51,120	8/12/2013	R	AC	87	$56	2,516,360	SEAL CRACKS
PEET RD	N/O MORNING STAR DR	S/O EAGLE VIEW	PEETRD	1020	1,035	36	37,260	8/12/2013	R	AC	86	$46	2,405,658	SEAL CRACKS

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2020

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
REMINGTON CT	SORRELL DR	CUL-DE-SAC	REMING	1010	241	33	7,953	8/12/2013	R	AC	81	$15	1,988,092	SEAL CRACKS
ROSE LN	S/O ANGELICA WAY	END	ROSELN	1020	128	36	4,608	8/12/2013	R	AC	76	$11	1,666,452	SEAL CRACKS
SAFFRON DRIVE	CURRY AVE	325 FT N/CURRY AVE	SAFFDR	1010	316	34	10,744	8/12/2013	R	AC	87	$13	2,245,357	SEAL CRACKS
SAFFRON DRIVE	CURRY AVE	TARRAGON AVE	SAFFDR	1020	696	34	23,664	8/12/2013	R	AC	85	$31	2,031,443	SEAL CRACKS
SAN ANTONIO DR	N/O AVENIDA DE LOS PADRES	S/O SAN ANTONIO WY	SANANT	1010	436	32	13,952	8/12/2013	R	AC	86	$17	2,282,010	SEAL CRACKS
SAN ANTONIO WY	E/O CAPISTRANO	W/O SAN ANTONIO DR	SANANW	1010	285	32	9,120	8/12/2013	R	AC	84	$13	2,063,080	SEAL CRACKS
SAN BENITO PL	S/O SAN PEDRO	CUL DE SAC	SANBEN	1010	731	32	25,239	8/12/2013	R	AC	86	$32	2,509,832	SEAL CRACKS
SAN JUAN DR	PAVE CHNG (W/O CORY DR)	115' W/ CORRY DR	SANJUA	1010	550	32	17,600	8/12/2013	R	AC	83	$28	2,273,344	SEAL CRACKS
SAN LUIS WY	E/O CORY DR (S)	E/O CORY DR (N)	SANLUI	1010	1,039	32	33,248	8/12/2013	R	AC	85	$45	2,522,504	SEAL CRACKS
SAN RAMON DR	SAN RAMON CT	BARRETT AVE	SANRAM	1020	230	33	7,590	8/12/2013	R	AC	84	$11	2,350,535	SEAL CRACKS
SAN VICENTE DR	JUAN HERNANDEZ	SAN RAMON DR	SANVIN	1010	358	37	13,246	8/12/2013	R	AC	86	$16	2,583,821	SEAL CRACKS
SAN VICENTE COURT	JUAN HERNANDEZ DR	CUL-DE-SAC	SAVICT	1010	205	34	6,970	8/12/2013	R	AC	86	$9	2,177,879	SEAL CRACKS
SERRA AVENIDA	S/O SANTA INES	161' N/ SANTA INES WA (PAVE CHNG)	SERRAA	1020	161	36	5,796	8/12/2013	R	AC	87	$7	2,516,360	SEAL CRACKS
SHADOWBROOK WY	LLAGAS RD	LLAGAS CREEK DR	SHADOW	1020	996	34	33,864	8/12/2013	R	AC	86	$41	2,094,227	SEAL CRACKS
SORREL DR	BARRETT AVE	END	SORRDR	1040	711	37	26,307	8/12/2013	R	AC	86	$31	2,583,821	SEAL CRACKS
SORRELL WY	E. DUNNE AVE	NORTH DEAD END (BARRICADE)	SORRWY	1030	177	37	6,549	8/12/2013	R	AC	84	$10	2,350,535	SEAL CRACKS
SPARHAWK DR	LLAGAS CREEK DR	DEAD END	SPARDR	1020	545	37	20,165	8/12/2013	R	AC	82	$34	2,109,631	SEAL CRACKS
ST. ANTHONY DR	ROSEMARY CIR	DEAD END	STANTH	1010	119	33	3,927	8/12/2013	R	AC	86	$5	2,616,839	SEAL CRACKS

Scenarios - Sections Selected for Treatment

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Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2020

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
ST. JOSEPH DR	DIANA AVE	ROSEMARY CIR	STJOSE	1010	230	37	8,510	8/12/2013	R	AC	83	$13	2,252,931	SEAL CRACKS
SUTTER BL	SERENE DR	JARVIS DR	SUTTER	1020	1,320	67	88,440	8/12/2013	A	AC	87	$54	4,251,482	SEAL CRACKS
TALBOT DR	N/O CALLE SIENA	S/O LANCIA DR	TALBOT	1020	380	37	14,060	8/12/2013	R	AC	83	$22	2,212,454	SEAL CRACKS
TENNANT AV	VINEYARD BLVD	RAILROAD AV	TENNAN	1020	594	72	42,768	8/12/2013	A	AC/AC	87	$26	4,251,482	SEAL CRACKS
VIA DE NINOS WY	LA MAR DR	LA ARBOLEDA	VIANIN	1010	840	37	31,080	8/12/2013	R	AC	82	$52	2,109,631	SEAL CRACKS
VIA NARETTO	W/O CALLE SUENO	CUL DE SAC	VIANOR	1010	482	32	17,526	8/12/2013	R	AC	85	$23	2,280,248	SEAL CRACKS
WINTER CREEK WY	SHADOW BROOK	CARRIAGE	WICRWY	1010	315	34	10,710	8/12/2013	R	AC	86	$13	2,094,227	SEAL CRACKS
WRIGHT AV	OAKGROVE DR	DEL MONTE ST	WRIGHT	1030	951	45	43,402	8/12/2013	C	AC	87	$27	2,958,924	SEAL CRACKS
ZINFANDEL CR	DOMAINE DR	ZINFANEL CR	ZINFCR	1010	1,500	34	51,000	8/12/2013	R	AC	85	$67	1,999,311	SEAL CRACKS
												Treatment Total		$2,935
							Year 2020 Area Total	4,741,541				Year 2020 Total		$5,339,881

Year: 2021

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
CAPRICE CT	END	GRAND PRIX WY	CAPRIC	1010	211	40	8,448	8/12/2013	R	AC	78	$8,769	14,244	CAPE SEAL
ENGLISH WALNUT CT	WALNUT GROVE DR	END	ENGLIS	1010	211	24	5,064	8/12/2013	R	AC	78	$5,257	13,971	CAPE SEAL
												Treatment Total		$14,026
DIANA AV	CITY LIMIT SW/O BRADFORD	HILL RD	DIANAA	1100	3,142	32	100,544	8/12/2013	C	AC	100	$435,553	11,846	2 IN AC OVERLAY
SAN PEDRO AV	RAILROAD AV	BUTTERFIELD AV	SANPED	1030A	500	40	20,000	8/12/2013	C	AC	100	$86,640	11,846	2 IN AC OVERLAY
												Treatment Total		$522,193
ASH CT	ALMOND WY	END	ASHCRT	1010	158	40	6,336	8/12/2013	R	AC	100	$27,044	11,634	2 IN AC OVERLAY W/ FABRIC

Scenarios - Sections Selected for Treatment

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Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2021

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
BADGER PASS RD	WEST MIDDLE AV	END	BADGER	1010	792	31	24,552	8/12/2013	R	AC	100	$104,793	11,724	2 IN AC OVERLAY W/ FABRIC
BISCAYNE CT	GRAND PRIX WY	END	BISCAY	1010	211	40	8,448	8/12/2013	R	AC	100	$36,058	11,828	2 IN AC OVERLAY W/ FABRIC
BLACK PRINCE CT	NATIVE DANCER DR	END	BLACPR	1010	528	32	16,896	8/12/2013	R	AC	100	$72,116	11,801	2 IN AC OVERLAY W/ FABRIC
CASTLE LAKE CR	CASTLE LAKE DR	CASTLE LAKE DR	CASTLC	1010	475	24	11,405	8/12/2013	R	AC	100	$48,679	11,673	2 IN AC OVERLAY W/ FABRIC
CASTLE HILL DR	CRYSTAL DR	SCOTT DR	CASTLH	1020	686	23	15,787	8/12/2013	R	AC	100	$67,382	11,641	2 IN AC OVERLAY W/ FABRIC
CLAREMONT CT	CLAREMONT DR	END	CLAREC	1010	106	40	4,224	8/12/2013	R	AC	100	$18,029	11,877	2 IN AC OVERLAY W/ FABRIC
CORTE CABANIL	CALLE MAZATAN	END	CORTCN	1010	475	40	19,008	8/12/2013	R	AC	100	$81,130	11,908	2 IN AC OVERLAY W/ FABRIC
DEL MONTE CR	END	DEL MONTE AV	DELMOC	1010	211	20	4,220	8/12/2013	R	AC	100	$18,012	11,641	2 IN AC OVERLAY W/ FABRIC
DEL MONTE AV	SPRING AV	CIOLINO AV	DELMON	1020B	759	40	30,360	8/12/2013	R	AC	100	$129,582	11,838	2 IN AC OVERLAY W/ FABRIC
DEWITT AV	CLAREMONT DR	MARCIA DR	DEWITT	1040	530	40	21,200	8/12/2013	R	AC	100	$90,486	11,837	2 IN AC OVERLAY W/ FABRIC
EAST DUNNE AV	LAUREL RD	CONDIT RD	EDUNNE	1040	2,165	69	149,385	8/12/2013	A	AC	100	$677,207	17,348	2 IN AC OVERLAY W/ FABRIC
EAST MAIN AV	RR CROSSING	BUTTERFIELD BLVD	EMAINA	1021	530	69	36,570	8/12/2013	A	AC	100	$165,783	17,348	2 IN AC OVERLAY W/ FABRIC
EAST MAIN AV	CASA LN	COUNTY MARKER	EMAINA	1080	1,320	51	67,320	8/12/2013	A	AC/AC	100	$305,182	17,379	2 IN AC OVERLAY W/ FABRIC
FIRST ST	MONTEREY RD	DEPOT ST	FIRSTS	1015	547	40	21,880	8/12/2013	R	AC	100	$93,388	11,801	2 IN AC OVERLAY W/ FABRIC
GLEN AYRE DR	JASPER HIGHLANDS DR	SCOTT DR	GLENAY	1020	581	24	13,939	8/12/2013	R	AC	100	$59,495	11,837	2 IN AC OVERLAY W/ FABRIC
HAY LOFT WY	GALLOP DR	END	HAYLOF	1010	1,056	32	33,792	8/12/2013	R	AC	100	$144,231	11,727	2 IN AC OVERLAY W/ FABRIC
KEYSTONE AV	DEL MONTE AV	MONTEREY ST	KEYSTO	1010	634	40	25,344	8/12/2013	R	AC	100	$108,173	11,877	2 IN AC OVERLAY W/ FABRIC
LA BELLA CT	LA CROSSE DR	END	LABELL	1010	686	40	27,456	8/12/2013	R	AC	100	$117,188	11,641	2 IN AC OVERLAY W/ FABRIC
LA CANADA CT	END	CALLE ENRIQUE	LACANA	1010	581	40	23,232	8/12/2013	R	AC	100	$99,159	11,941	2 IN AC OVERLAY W/ FABRIC

Scenarios - Sections Selected for Treatment

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LAS COCHES CT	END	CALLE ENRIQUE	LACOCH	1010	475	40	19,008	8/12/2013	R	AC	100	$81,130	11,876	2 IN AC OVERLAY W/ FABRIC
LA GIRALDA CT	VIA GRANDE	END	LAGIRC	1010	158	40	6,336	8/12/2013	R	AC	100	$27,044	11,544	2 IN AC OVERLAY W/ FABRIC
LANDAU CT	END	GRAND PRIX WY	LANDAU	1010	420	40	16,800	8/12/2013	R	AC	100	$71,706	11,741	2 IN AC OVERLAY W/ FABRIC
LA RENA CT	LA CROSSE DR	END	LARENA	1010	106	60	6,336	8/12/2013	R	AC	100	$27,044	11,634	2 IN AC OVERLAY W/ FABRIC
LA SABRE CT	END	GRAND PRIX WY	LASABR	1010	430	40	17,200	8/12/2013	R	AC	100	$73,413	11,908	2 IN AC OVERLAY W/ FABRIC
LEAFY CT	PEPPERTREE DR	END	LEAFYC	1010	211	40	8,448	8/12/2013	R	AC	100	$36,058	11,724	2 IN AC OVERLAY W/ FABRIC
MONTEREY ST	VINEYARD BL	TENNANT AV	MONTER	1040	950	76	72,200	8/12/2013	A	AC/AC	100	$327,305	17,223	2 IN AC OVERLAY W/ FABRIC
MONTEREY ST	BARRETT AV	COSMO AV	MONTER	1070	634	80	50,720	8/12/2013	A	AC/AC	100	$229,929	17,223	2 IN AC OVERLAY W/ FABRIC
SCOTT DR	GLEN AYRE DR	CASTLE HILL DR	SCOTTD	1010	370	23	8,501	8/12/2013	R	AC	100	$36,284	11,908	2 IN AC OVERLAY W/ FABRIC
SUTTER BL	COCHRANE RD	WOODVIEW AV	SUTTER	1040	686	46	31,556	8/12/2013	R	AC	100	$134,687	11,756	2 IN AC OVERLAY W/ FABRIC
SWORD DANCER CT	VENETIAN WY	END	SWORDD	1010	370	32	11,827	8/12/2013	R	AC	100	$50,480	11,941	2 IN AC OVERLAY W/ FABRIC
TEAK CT	END	PINE WY	TEAKCT	1010	106	40	4,224	8/12/2013	R	AC	100	$18,029	11,801	2 IN AC OVERLAY W/ FABRIC
VINEYARD BL	VINEYARD CT	MAST ST	VINEYA	1050	1,478	40	59,136	8/12/2013	R	AC	100	$252,404	11,876	2 IN AC OVERLAY W/ FABRIC
WILLOW CT	BLUEBONNET WY	END	WILLOW	1010	106	40	4,224	8/12/2013	R	AC	100	$18,029	11,801	2 IN AC OVERLAY W/ FABRIC
WEST MAIN AV	DEWITT AV	PEAK AV	WMAINA	1020	686	43	29,515	8/12/2013	R	AC	100	$125,976	11,724	2 IN AC OVERLAY W/ FABRIC
								Treatment Total				$3,972,635		
BELLETO DR	BENTLEY DR	E. MAIN AVE	BELLET	1010	342	37	12,654	8/12/2013	R	AC	91	$3,355	62,866	SLURRY SEAL - TYPE II
BELLINI WY	LA ROCCA CT	EXCALIBER DR	BELLWY	1010	975	34	33,150	8/12/2013	R	AC	91	$8,789	50,041	SLURRY SEAL - TYPE II
BENTLEY DR	LANCIA DR	CUL-DE-SAC N. OF CORNICHE DR	BENTLE	1010	875	37	33,780	8/12/2013	R	AC	91	$8,956	62,866	SLURRY SEAL - TYPE II
BRIX WY	N/O DOMAINE DR	S/O E. DUNNE AVE	BRIXWY	1010	155	37	5,735	8/12/2013	R	AC	87	$1,521	54,665	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

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BUGATTI PL	BELLETO DR	CUL-DE-SAC	BUGATT	1010	155	33	5,115	8/12/2013	R	AC	90	$1,357	61,840	SLURRY SEAL - TYPE II
CALLE HERMOSA	E. CENTRAL AVE	CALLE BUENA VISTA	CALHER	1020	720	33	23,760	8/12/2013	R	AC	87	$6,300	58,146	SLURRY SEAL - TYPE II
CALICO CT	SORRELL DR	CUL-DE-SAC	CALICO	1010	218	33	7,194	8/12/2013	R	AC	91	$1,908	62,866	SLURRY SEAL - TYPE II
CALLE CENTRAL	E. CENTRAL AV	CALLE TIERA	CALLEC	1020	784	37	29,008	8/12/2013	R	AC	87	$7,691	58,146	SLURRY SEAL - TYPE II
CALLE FLORENCIA	CUL-DE-SAC OFF GRAND PRIX	CUL-DE-SAC WEST	CALLEF	1010	657	33	21,681	8/12/2013	R	AC	92	$5,749	63,722	SLURRY SEAL - TYPE II
CALLE CERRO	CALLE MAZATAN	END	CALLEO	1010	809	33	26,697	8/12/2013	R	AC	90	$7,078	61,840	SLURRY SEAL - TYPE II
CALLE SIENNA	365 FT E/O GRAND PRIX	CUL-DE-SAC WEST	CALLES	1010	615	33	21,988	8/12/2013	R	AC	92	$5,830	63,722	SLURRY SEAL - TYPE II
CALLE SUENO	N/O WATSONVILLE RD	N/O VIA NARRETTO	CALSUE	1010	446	29	12,934	8/12/2013	R	AC	89	$3,430	54,917	SLURRY SEAL - TYPE II
CALLE VIENTO	170' W/O CALLE TIERRA (PAVE CHANGE)	CALLE TIERRA	CALVIE	1010	1,153	32	36,896	8/12/2013	R	AC	89	$9,782	54,971	SLURRY SEAL - TYPE II
CARMELO CT	MISSION AVE	CUL-DE-SAC	CAMELO	1010	369	33	12,177	8/12/2013	R	AC	91	$3,229	62,866	SLURRY SEAL - TYPE II
CAPISTRANO WY	DE LOS PADRES	SANTA INES WAY	CAPIST	1010	843	37	31,191	8/12/2013	R	AC	91	$8,270	62,866	SLURRY SEAL - TYPE II
CASCADE CT	OLYMPIC DR	CUL-DE-SAC	CASCAD	1010	510	33	16,830	8/12/2013	R	AC	92	$4,462	63,722	SLURRY SEAL - TYPE II
CHEYENNE CT	N/O MORNING STAR	CUL DE SAC	CHEYEN	1010	435	32	15,605	8/12/2013	R	AC	92	$4,138	61,514	SLURRY SEAL - TYPE II
CHINOOK CT	S/O EAGLE VIEW	CUL DE SAC	CHINOO	1010	499	32	17,422	8/12/2013	R	AC	92	$4,619	54,952	SLURRY SEAL - TYPE II
CLARET DR	E. DUNNE	DOMAINE CT	CLARDR	1010	213	34	7,242	8/12/2013	R	AC	91	$1,920	50,269	SLURRY SEAL - TYPE II
CORIANDER AV	SAFFRON AV	DOUGHERTY AV	CORIAV	1005	755	34	25,670	8/12/2013	R	AC	94	$6,806	50,749	SLURRY SEAL - TYPE II
CORNICHE DR	BENTLEY DR	SERENE DR	CORNIC	1010	298	33	9,834	8/12/2013	R	AC	91	$2,608	62,866	SLURRY SEAL - TYPE II
CORSA PL	E/O BELLATO DR	CUL DE SAC	CORSAP	1010	109	35	5,137	8/12/2013	R	AC	89	$1,362	60,850	SLURRY SEAL - TYPE II
DAKOTA DR	LOTUS WAY	DEAD END	DAKOTA	1010	215	28	6,020	8/12/2013	R	AC	89	$1,597	60,756	SLURRY SEAL - TYPE II
DALE HOLLOW CT	S/O SPRING AVE	CUL DE SAC	DALEHO	1010	358	32	12,985	8/12/2013	R	AC	89	$3,443	52,815	SLURRY SEAL - TYPE II
CALLE DEL SOL WY	CALLE CABEZAL	CUL-DE-SAC	DELSOL	1010	1,065	36	39,817	8/12/2013	R	AC	90	$10,557	61,840	SLURRY SEAL - TYPE II
DENALI DR	COSMO AVE	OLYMPIC DR	DENALI	1010	793	48	38,064	8/12/2013	R	AC	91	$10,092	62,866	SLURRY SEAL - TYPE II
DOMAINE CT	E/O MALBEC DR	CUL DE SAC	DOMAIC	1010	272	32	10,311	8/12/2013	R	AC	92	$2,734	57,167	SLURRY SEAL - TYPE II
DOMAINE DR	BRIX WY	MALBEC DR	DOMAID	1010	157	32	5,024	8/12/2013	R	AC	89	$1,332	54,608	SLURRY SEAL - TYPE II
DOUGHERTY AV	N/O BASIL	CURRY AV	DOUGHE	1025	310	34	10,540	8/12/2013	R	AC	91	$2,795	49,872	SLURRY SEAL - TYPE II
EAGLE SPRINGS CT	LLAGAS CREEK DR	CUL-DE-SAC	EAGLES	1020	171	33	5,643	8/12/2013	R	AC	92	$1,497	63,722	SLURRY SEAL - TYPE II
EAST CENTRAL AVE	CALLE MAZATAN	265 FT W/O ASTON CT	ECENRT	1020	1,300	48	62,400	8/12/2013	R	AC	91	$16,544	60,596	SLURRY SEAL - TYPE II

CITY OF MORGAN HILL

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2021

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
EAST CENTRAL AVE	265 FT W/O ASTON CT	E/O LANCIA DR	ECENRT	1025	735	48	35,280	8/12/2013	R	AC	91	$9,354	60,596	SLURRY SEAL - TYPE II
EAST CENTRAL AVE	W/O BUTTERFIELD	CUL DE SAC	ECENTR	1010	449	29	13,534	8/12/2013	R	AC	92	$3,589	54,942	SLURRY SEAL - TYPE II
E EDMUNDSON AV	MONTEREY ST	CHURCH ST	EDMUND	1010	634	40	25,344	8/12/2013	A	AC	92	$8,716	39,920	SLURRY SEAL - TYPE II
EAST DUNNE AV	MONTEREY ST	RAILROAD X	EDUNNE	1010	950	58	47,520	8/12/2013	A	AC	92	$16,343	39,920	SLURRY SEAL - TYPE II
EAST DUNNE AV	HILL RD	PVT CHG 356' E/O SORRELL WY	EDUNNE	1100	1,650	87	143,550	8/12/2013	A	AC/AC	92	$49,368	39,920	SLURRY SEAL - TYPE II
EAST DUNNE AV	SADDLEBACK DR	GALLOP DR	EDUNNE	1120	897	58	52,026	8/12/2013	A	AC	92	$17,893	39,920	SLURRY SEAL - TYPE II
EAGLE VIEW DR	N/O MORNING STAR DR	W/O PEET DR	EVIEWD	1010	2,305	36	82,980	8/12/2013	R	AC	91	$22,000	59,119	SLURRY SEAL - TYPE II
EXCALIBER DR	BELLINI WY	WATSONVILLE RD	EXCADR	1010	150	34	5,100	8/12/2013	R	AC	91	$1,353	50,041	SLURRY SEAL - TYPE II
FENNEL CT	DOUGHERTY AV	CUL-DE-SAC	FENNCT	1010	473	34	17,947	8/12/2013	R	AC	94	$4,759	48,162	SLURRY SEAL - TYPE II
GINGER WY	W/O TAYLOR AVE	END	GINGER	1010	275	30	8,250	8/12/2013	R	AC	92	$2,188	62,085	SLURRY SEAL - TYPE II
HEIDI CT	END	HEIDI DR	HEIDIC	1010	158	59	9,346	8/12/2013	R	AC/AC	92	$2,478	56,481	SLURRY SEAL - TYPE II
HEIDI DR	PEAK AV	CREST AV	HEIDID	1010	634	40	25,344	8/12/2013	R	AC/AC	92	$6,720	56,189	SLURRY SEAL - TYPE II
HILL RD	EAST DUNNE AV	KATYBETH WY	HILLRD	1030	1,109	49	54,341	8/12/2013	A	AC	92	$18,689	39,920	SLURRY SEAL - TYPE II
JOHN WILSON WY	W/O MONTEREY ST	END	JOHNWI	1010	762	29	22,098	8/12/2013	R	AC	92	$5,859	61,934	SLURRY SEAL - TYPE II
LA ARBOLEDA WY	WATSONVILLE RD	END	LAARBO	1010	1,021	37	37,777	8/12/2013	R	AC	92	$10,016	63,722	SLURRY SEAL - TYPE II
LANCIA DR	S/O EAST CENTRAL AVE	CUL-DE-SAC S. OF BENTLEY DR	LANCIA	1010	915	37	33,855	8/12/2013	R	AC	90	$8,976	61,840	SLURRY SEAL - TYPE II
LEGEND CT	S/O EAGLE VIEW	CUL DE SAC	LEGEND	1010	501	32	17,717	8/12/2013	R	AC	92	$4,698	59,737	SLURRY SEAL - TYPE II
LLAGAS CREEK DR	LLAGAS RD	SE DEAD END	LLAGCR	1020	638	36	22,968	8/12/2013	R	AC	90	$6,090	61,840	SLURRY SEAL - TYPE II
LONGVIEW DR	PEAK AV	CREST AV	LONGVI	1010	686	30	20,592	8/12/2013	R	AC/AC	89	$5,460	53,008	SLURRY SEAL - TYPE II
LONGVIEW DR	CREST AV	HALE AV	LONGVI	1020	634	30	19,008	8/12/2013	R	AC/AC	92	$5,040	54,356	SLURRY SEAL - TYPE II
MAGNOLIA WY	E. DUNNE AVE	SADDLEBACK DR	MAGNOL	1010	795	33	26,235	8/12/2013	R	AC	89	$6,956	60,756	SLURRY SEAL - TYPE II
MALBEC DR	105 FT S/O DOMAINE DR	S/O DOMAINE	MALBED	1020	105	32	3,360	8/12/2013	R	AC	90	$891	55,639	SLURRY SEAL - TYPE II
MALLGUERRA AV	375 FT N/O COCHRANE	N/O SILVERWINGS CT	MALLGU	1015	825	32	26,400	8/12/2013	R	AC/AC	92	$7,000	54,356	SLURRY SEAL - TYPE II
MALLGUERRA AV	N/O SILVERWINGS CT	MORNING STAR DR	MALLGU	1025	390	32	12,480	8/12/2013	R	AC/AC	90	$3,309	53,626	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

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Year: 2021

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
MAIDEN SPRING WY	SHADOW BROOK	CARRIAGE	MASPWY	1010	315	34	10,710	8/12/2013	R	AC	91	$2,840	50,211	SLURRY SEAL - TYPE II
MIRA BELLA CIR	TRAIL DR	END AT TRAIL DR	MIRABE	1010	2,545	37	94,165	8/12/2013	R	AC	92	$24,966	63,722	SLURRY SEAL - TYPE II
MIRA FLORES CT	MIRA BELLA CIRCLE	CUL-DE-SAC	MIRAFL	1010	171	37	6,327	8/12/2013	R	AC	90	$1,678	61,840	SLURRY SEAL - TYPE II
MIRA LAGOS DR	MIRA BELLA CIRCLE	END	MIRALA	1010	129	37	4,773	8/12/2013	R	AC	91	$1,266	62,866	SLURRY SEAL - TYPE II
MIRA BELLA PL	MIRA BELLA CIRCLE	CUL-DE-SAC	MIRAPL	1010	142	37	5,254	8/12/2013	R	AC	86	$1,393	56,737	SLURRY SEAL - TYPE II
MONTEREY ST	EAST MIDDLE AV	WEST MIDDLE AV	MONTER	1010	1,478	75	110,850	8/12/2013	A	AC/AC	92	$38,122	39,920	SLURRY SEAL - TYPE II
MONTEREY ST	TENNANT AV	BARRETT AV	MONTER	1060	1,630	80	130,400	8/12/2013	A	AC/AC	92	$44,846	39,920	SLURRY SEAL - TYPE II
MONTEREY ST	SAN PEDRO AV	MYRTLE AV	MONTER	1090	1,214	91	110,474	8/12/2013	A	AC/AC	92	$37,993	39,920	SLURRY SEAL - TYPE II
MONTEREY ST	COCHRANE RD	COCHRANE CIR	MONTER	1170	950	84	79,800	8/12/2013	A	AC	92	$27,444	39,920	SLURRY SEAL - TYPE II
MONTEREY ST	PEEBLES AV	BURNETT AV	MONTER	1190	1,478	84	124,152	8/12/2013	A	AC	92	$42,697	39,920	SLURRY SEAL - TYPE II
MONTEREY ST	BURNETT AV	CITY LIMITS	MONTER	1200	1,215	72	87,480	8/12/2013	A	AC	92	$30,085	39,920	SLURRY SEAL - TYPE II
PALOMA CT	OLD MONTEREY RD	END	PALOMA	1010	438	20	8,760	8/12/2013	R	AC	90	$2,323	61,840	SLURRY SEAL - TYPE II
PEAR DR	W/O HILL RD	CUL DE SAC	PEARDR	1010	1,139	32	37,977	8/12/2013	R	AC	89	$10,069	55,061	SLURRY SEAL - TYPE II
PEET RD	N/O COCHRANE RD	N/O MORNING STAR	PEETRD	1010	1,420	36	51,120	8/12/2013	R	AC	92	$13,553	59,737	SLURRY SEAL - TYPE II
PEET RD	N/O MORNING STAR DR	S/O EAGLE VIEW	PEETRD	1020	1,035	36	37,260	8/12/2013	R	AC	91	$9,879	59,119	SLURRY SEAL - TYPE II
REMINGTON CT	SORRELL DR	CUL-DE-SAC	REMING	1010	241	33	7,953	8/12/2013	R	AC	87	$2,109	58,146	SLURRY SEAL - TYPE II
ROSE LN	S/O ANGELICA WAY	END	ROSELN	1020	128	36	4,608	8/12/2013	R	AC	83	$1,222	55,007	SLURRY SEAL - TYPE II
SAFFRON DRIVE	CURRY AVE	325 FT N/CURRY AVE	SAFFDR	1010	316	34	10,744	8/12/2013	R	AC	92	$2,849	52,789	SLURRY SEAL - TYPE II
SAFFRON DRIVE	CURRY AVE	TARRAGON AVE	SAFFDR	1020	696	34	23,664	8/12/2013	R	AC	91	$6,274	49,872	SLURRY SEAL - TYPE II
SAN ANTONIO DR	N/O AVENIDA DE LOS PADRES	S/O SAN ANTONIO WY	SANANT	1010	436	32	13,952	8/12/2013	R	AC	92	$3,699	54,918	SLURRY SEAL - TYPE II
SAN ANTONIO WY	E/O CAPISTRANO	W/O SAN ANTONIO DR	SANANW	1010	285	32	9,120	8/12/2013	R	AC	90	$2,418	53,433	SLURRY SEAL - TYPE II
SAN BENITO PL	S/O SAN PEDRO	CUL DE SAC	SANBEN	1010	731	32	25,239	8/12/2013	R	AC	91	$6,692	63,224	SLURRY SEAL - TYPE II
SAN JUAN DR	PAVE CHNG (W/O CORY DR)	115' W/ CORRY DR	SANJUA	1010	550	32	17,600	8/12/2013	R	AC	89	$4,667	63,921	SLURRY SEAL - TYPE II

Scenarios - Sections Selected for Treatment

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Year: 2021

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SAN LUIS WY	E/O CORY DR (S)	E/O CORY DR (N)	SANLUI	1010	1,039	32	33,248	8/12/2013	R	AC	91	$8,815	66,471	SLURRY SEAL - TYPE II
SAN RAMON DR	SAN RAMON CT	BARRETT AVE	SANRAM	1020	230	33	7,590	8/12/2013	R	AC	90	$2,013	61,840	SLURRY SEAL - TYPE II
SAN VICENTE DR	JUAN HERNANDEZ	SAN RAMON DR	SANVIN	1010	358	37	13,246	8/12/2013	R	AC	92	$3,512	63,722	SLURRY SEAL - TYPE II
SAN VICENTE COURT	JUAN HERNANDEZ DR	CUL-DE-SAC	SAVICT	1010	205	34	6,970	8/12/2013	R	AC	91	$1,848	52,531	SLURRY SEAL - TYPE II
SERRA AVENIDA	S/O SANTA INES	161' N/ SANTA INES WA (PAVE CHNG)	SERRAA	1020	161	36	5,796	8/12/2013	R	AC	92	$1,537	59,737	SLURRY SEAL - TYPE II
SHADOWBROOK WY	LLAGAS RD	LLAGAS CREEK DR	SHADOW	1020	996	34	33,864	8/12/2013	R	AC	91	$8,979	50,211	SLURRY SEAL - TYPE II
SORREL DR	BARRETT AVE	END	SORRDR	1040	711	37	26,307	8/12/2013	R	AC	92	$6,975	63,722	SLURRY SEAL - TYPE II
SORRELL WY	E. DUNNE AVE	NORTH DEAD END (BARRICADE)	SORRWY	1030	177	37	6,549	8/12/2013	R	AC	90	$1,737	61,840	SLURRY SEAL - TYPE II
SPARHAWK DR	LLAGAS CREEK DR	DEAD END	SPARDR	1020	545	37	20,165	8/12/2013	R	AC	88	$5,347	59,441	SLURRY SEAL - TYPE II
ST. ANTHONY DR	ROSEMARY CIR	DEAD END	STANTH	1010	119	33	3,927	8/12/2013	R	AC	92	$1,042	63,880	SLURRY SEAL - TYPE II
ST. JOSEPH DR	DIANA AVE	ROSEMARY CIR	STJOSE	1010	230	37	8,510	8/12/2013	R	AC	89	$2,257	60,997	SLURRY SEAL - TYPE II
TALBOT DR	N/O CALLE SIENA	S/O LANCIA DR	TALBOT	1020	380	37	14,060	8/12/2013	R	AC	89	$3,728	60,756	SLURRY SEAL - TYPE II
TENNANT AV	VINEYARD BLVD	RAILROAD AV	TENNAN	1020	594	72	42,768	8/12/2013	A	AC/AC	92	$14,709	39,920	SLURRY SEAL - TYPE II
VIA DE NINOS WY	LA MAR DR	LA ARBOLEDA	VIANIN	1010	840	37	31,080	8/12/2013	R	AC	88	$8,240	59,441	SLURRY SEAL - TYPE II
VIA NARETTO	W/O CALLE SUENO	CUL DE SAC	VIANOR	1010	482	32	17,526	8/12/2013	R	AC	91	$4,647	56,637	SLURRY SEAL - TYPE II
WINTER CREEK WY	SHADOW BROOK	CARRIAGE	WICRWY	1010	315	34	10,710	8/12/2013	R	AC	91	$2,840	50,211	SLURRY SEAL - TYPE II
ZINFANDEL CR	DOMAINE DR	ZINFANEL CR	ZINFCR	1010	1,500	34	51,000	8/12/2013	R	AC	91	$13,522	49,757	SLURRY SEAL - TYPE II
										Treatment Total		$798,328		
ADAMS CT	COCHRANE RD	END	ADAMSC	1010	675	40	27,000	8/12/2013	R	AC	78	$60	1,390,424	SEAL CRACKS
ALCALA CT	MISSION AVE	CUL-DE-SAC	ALCALA	1010	444	37	16,428	8/12/2013	R	AC	82	$29	1,468,285	SEAL CRACKS
ANGELICA WY	W/O TAYLOR	CUL DE SAC	ANGELI	1010	565	36	21,741	8/12/2013	R	AC	80	$41	1,452,415	SEAL CRACKS
AVANTE PL	BELLETO DR	CUL-DE-SAC	AVANTE	1010	191	33	6,303	8/12/2013	R	AC	82	$11	1,468,285	SEAL CRACKS
AVENIDA DE LOS PADRES	MISSION VIEW DR	CAPISTRANO WAY	AVDELO	1010	752	33	24,816	8/12/2013	R	AC	82	$43	1,468,285	SEAL CRACKS

Scenarios - Sections Selected for Treatment

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Year: 2021

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
BARRETT AV	SAN RAMON DR	300 FT E. OF RAILROAD AVE	BARRET	1030	1,630	34	55,420	8/12/2013	R	AC	78	$122	1,390,424	SEAL CRACKS
BARRETT AV	100 FT. W. OF SORREL DR	TRAIL DR	BARRET	1040	576	37	21,312	8/12/2013	R	AC	82	$37	1,467,975	SEAL CRACKS
BARRETT AV	JUAN HERNANDEZ DR	SAN RAMON DR	BARRET	2010	540	42	22,680	8/12/2013	R	AC	80	$44	1,450,220	SEAL CRACKS
BASIL AV	DOUGHERTY AV	CAYENNE DR	BASIAV	1010	263	34	8,942	8/12/2013	R	AC	83	$15	1,852,321	SEAL CRACKS
BEL AIR CT	MONTOYA CR	END	BELACT	1010	211	40	8,448	8/12/2013	R	AC	81	$16	1,459,452	SEAL CRACKS
BELLINI WY	EXCALIBER DR	CUL-DE-SAC	BELLWY	1020	240	34	9,781	8/12/2013	R	AC	83	$16	1,810,309	SEAL CRACKS
BLACK WALNUT WY	SERENE DR	WALNUT GROVE DR	BLACWW	1010	264	40	10,560	8/12/2013	R	AC	82	$19	1,467,981	SEAL CRACKS
BLUE LYNX CT	EAGLE VIEW	CUL-DE-SAC	BLUELY	1020	524	34	17,816	8/12/2013	R	AC	84	$27	1,917,476	SEAL CRACKS
BONITA DR	PALOMA DR	END	BONITA	1010	440	33	14,520	8/12/2013	R	AC	82	$25	1,468,285	SEAL CRACKS
BURNETT AV	MONTEREY ST	CITY LIMITS	BURNET	1010	1,795	36	64,620	8/12/2013	C	AC	87	$42	2,872,742	SEAL CRACKS
CABERNET CIRCLE	DOMAINE DR	CABEINET CT	CABECR	1010	960	34	32,640	8/12/2013	R	AC	83	$53	1,835,123	SEAL CRACKS
CALLE BUENA VISTA	CALLE TIERRA	CALLE HERMOSA	CABUVI	1010	990	34	33,660	8/12/2013	R	AC	81	$63	1,651,871	SEAL CRACKS
CALLE ASTA	CALLE MAZATAN	BEL AIR WAY	CALLAS	1020	534	36	19,224	8/12/2013	R	AC	82	$34	1,467,975	SEAL CRACKS
CALLE ATAVIO	PVT CHG	CALLE DEL SOL	CALLAT	1020	231	36	8,316	8/12/2013	R	AC	82	$15	1,467,975	SEAL CRACKS
CALLE TIERRA	CALLE CENTRAL	CUL-DE-SAC	CALTIE	1020	681	34	23,154	8/12/2013	R	AC	82	$40	1,751,486	SEAL CRACKS
CANTOR DR	TRAIL DR	END	CANTOR	1010	1,003	34	34,109	8/12/2013	R	AC	82	$60	1,467,975	SEAL CRACKS
CARRIAGE DR	LLAGAS RD	CUL-DE-SAC	CARRIA	1020	686	34	23,324	8/12/2013	R	AC	83	$38	1,819,637	SEAL CRACKS
CASINO REAL	END	SUNNYSIDE AV	CASINO	1010	1,056	32	33,792	8/12/2013	R	AC	78	$75	1,390,424	SEAL CRACKS
CHURCH ST	BARRETT AV	MAST ST	CHURCH	1030	898	32	31,046	8/12/2013	C	AC	87	$20	2,872,742	SEAL CRACKS

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CIOLINO AV	450 FT E/O DEL MONTE AV	MONTEREY ST	CIOLIN	1020	447	40	17,880	8/12/2013	R	AC	81	$33	1,459,452	SEAL CRACKS
CLAYTON PL	N/O PEEBLES	CUL DE SAC	CLAYTO	1010	544	36	20,696	10/12/2011	R	AC	79	$42	1,696,846	SEAL CRACKS
COCHRANE RD	MONTEREY ST	COCHRANE CIR	COCHRA	1010	528	75	39,600	8/12/2013	A	AC/AC	87	$25	4,127,652	SEAL CRACKS
COCHRANE RD	SUTTER BL	HWY 101 ONRAMP	COCHRA	1040	1,214	70	84,980	8/12/2013	A	AC/AC	87	$54	4,127,652	SEAL CRACKS
COCHRANE RD	MISSION VIEW DR	PEET RD	COCHRA	1080	1,360	27	36,720	8/12/2013	A	AC	87	$23	4,127,652	SEAL CRACKS
COCHRANE CIR	BEGIN CIRCLE	WEST ENTRANCE	COCHRC	1020	1,162	50	58,080	8/12/2013	R	AC	78	$128	1,390,424	SEAL CRACKS
COCHRANE CIR	MONTEREY ST	BEGIN CIRCLE	COCHRC	1130	370	40	14,784	8/12/2013	R	AC	79	$31	1,419,848	SEAL CRACKS
CORY LN	SAN PEDRO RD	CUL DE SAC	CORYLN	1010	420	36	15,120	8/12/2013	R	AC	80	$30	1,447,871	SEAL CRACKS
DA VINCI CR	LA ROCEL	END	DAVICR	1010	397	32	12,704	8/12/2013	R	AC	85	$18	1,919,796	SEAL CRACKS
DEL MONTE AV	COSMO AV	S/O MATHILDA CT	DELMON	1005	792	37	29,304	8/12/2013	R	AC	81	$54	1,459,452	SEAL CRACKS
DEL MONTE AV	S/O MATHILDA CT	FOOTHILL CT	DELMON	1015	285	37	10,545	8/12/2013	R	AC	82	$19	1,467,975	SEAL CRACKS
DEL MONTE AV	FOOTHILL CT	SPRING AV	DELMON	1020A	297	40	11,880	8/12/2013	R	AC	78	$27	1,390,424	SEAL CRACKS
DENALI DR	OLYMPIC DR	SUNSET AVE	DENALI	1020	364	37	13,468	8/12/2013	R	AC	82	$24	1,468,285	SEAL CRACKS
DEPOT ST	EAST DUNNE AV	FIFTH ST	DEPOTS	1005	630	36	22,680	8/12/2013	C	AC	87	$15	2,872,742	SEAL CRACKS
DIANA AV	DEAD END (S. OF BUTTERFIELD)	BUTTERFIELD BLVD	DIANAA	1010	585	24	14,040	8/12/2013	C	AC	87	$9	2,872,742	SEAL CRACKS
DIANA AV	JAMES LEX LN	WALNUT GROVE DR (E)	DIANAA	1040	942	47	44,274	8/12/2013	C	AC	87	$29	2,872,742	SEAL CRACKS
DOMAINE DR	CABERNET CT	BRIX WY	DOMAID	1020	994	34	33,796	8/12/2013	R	AC	80	$65	1,636,840	SEAL CRACKS
DOUGHERTY AV	TILTON AV	CITY LIMITS	DOUGHE	1010	950	30	28,500	8/12/2013	R	AC	82	$50	1,467,975	SEAL CRACKS
DOUGHERTY AV	TILTON AV	N/O BASIL	DOUGHE	1015	1,000	34	34,000	8/12/2013	R	AC	82	$59	1,759,924	SEAL CRACKS

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2021

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
EAST DUNNE AV	RAILROAD X	BUTTERFIELD	EDUNNE	1020A	617	69	42,573	8/12/2013	A	AC	87	$27	4,127,652	SEAL CRACKS
EAST DUNNE AV	PVT CHG 356' E/O SORRELL WY	SADDLEBACK DR	EDUNNE	1110	217	87	18,879	8/12/2013	A	AC/AC	87	$12	4,127,652	SEAL CRACKS
EAST DUNNE AV	FLAMING OAK LN	THOMAS GRADE	EDUNNE	1150	2,429	22	71,597	8/12/2013	C	AC	87	$46	2,872,742	SEAL CRACKS
EAGLE ISLAND CT	S/O SPRING AVE	CUL DE SAC	EISLAN	1010	182	32	7,840	8/12/2013	R	AC	78	$17	1,593,717	SEAL CRACKS
EAST MAIN AV	CALLE MAZATAN	GRAND PRIX WY	EMAINA	1030	1,003	36	36,115	8/12/2013	A	AC/AC	87	$23	4,127,652	SEAL CRACKS
EAST MAIN AV	LAURAL RD	101 OVERPASS	EMAINA	1061	520	42	21,840	8/12/2013	A	AC/AC	87	$14	4,127,652	SEAL CRACKS
EAST MAIN AV	101 OVERPASS	CONDIT RD	EMAINA	1062	694	42	29,148	8/12/2013	A	AC	87	$19	4,127,652	SEAL CRACKS
ENGLISH WALNUT WY	WALNUT GROVE DR	BELLETO DR	ENGLIW	1010	725	44	31,900	8/12/2013	R	AC	78	$70	1,390,424	SEAL CRACKS
HALF RD	COUNTY MARKER	GOULD LN	HALFRD	1010	1,479	22	32,538	8/12/2013	R	AC	79	$69	1,419,848	SEAL CRACKS
HILL RD	KATYBETH WY	CITY LIMITS (N/ DANA AV)	HILLRD	1040	2,877	40	115,080	8/12/2013	A	AC/AC	87	$72	4,127,652	SEAL CRACKS
JARVIS DR	SERENE DR	SUTTER BL	JARVIS	1020	3,274	58	189,869	8/12/2013	C	AC	87	$121	2,872,742	SEAL CRACKS
JOHN TELFER DR	WEST DUNNE AV	ALKIRE AV	JOHNTE	1020	475	40	19,000	8/12/2013	R	AC	80	$37	1,450,220	SEAL CRACKS
KATYBETH WY	W/O HEATHERWOOD WY	N/O CONTE WY	KATYBE	1015	190	40	7,600	8/12/2013	R	AC	79	$16	1,431,848	SEAL CRACKS
KEITH WY	EDMUNDSON AVE	DEAD END	KEITHW	1010	730	36	26,280	8/12/2013	R	AC	78	$58	1,390,424	SEAL CRACKS
KICKAPOO CT	MALAGUERRA AV	CUL-DE-SAC	KICKCT	1010	829	32	28,543	8/12/2013	R	AC	84	$41	1,879,606	SEAL CRACKS
LA AGUA CT	LA JOLLA DR	END	LAAGUA	1010	158	40	6,336	8/12/2013	R	AC	82	$11	1,467,975	SEAL CRACKS
LA CROSSE DR	MCKELVY LN	LA GRANDE DR	LACROS	1060	1,004	50	50,160	8/12/2013	C	AC	87	$32	2,872,742	SEAL CRACKS
LA CROSSE DR	LA GRANDE DR	LA ALAMEDA DR	LACROS	1070	950	50	47,520	8/12/2013	C	AC	87	$31	2,872,742	SEAL CRACKS

CITY OF MORGAN HILL

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2021

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
LA CROSSE DR	MCKELVY LN	75 FT WEST OF LA RODA CT	LACROS	1080A	484	46	22,264	8/12/2013	C	AC	87	$15	2,872,742	SEAL CRACKS
LA JOLLA DR	VIA NAVONA	LA CROSSE DR	LAJOLL	1010	810	40	32,400	8/12/2013	R	AC	79	$65	1,431,786	SEAL CRACKS
LA JOLLA DR	VIA NAVONA	END	LAJOLL	1020	1,020	37	37,740	8/12/2013	R	AC	82	$65	1,468,285	SEAL CRACKS
LA TIERRA DR	VIA CASTANA DR	VIA CASTANA DR	LATIER	1020	1,100	40	44,000	8/12/2013	R	AC	78	$97	1,390,424	SEAL CRACKS
LAUREL RD	EAST DUNNE AV	WALNUT GROVE DR	LAUREL	1010	250	38	9,500	8/12/2013	R	AC	81	$18	1,459,452	SEAL CRACKS
LA VELA CT	LA JOLLA DR	CULO-DE-SAC	LAVELA	1010	305	37	11,285	8/12/2013	R	AC	82	$20	1,468,285	SEAL CRACKS
LA VIA AZUL CT	LA JOLLA DR	END	LAVIAC	1010	370	40	14,784	8/12/2013	R	AC	80	$29	1,450,220	SEAL CRACKS
LLAGAS RD	DEANA CT	TERESA LN	LLAGAS	1070	500	22	11,000	8/12/2013	C	AC	87	$8	2,872,742	SEAL CRACKS
LLAGAS CREEK DR	STONEY CREEK WY	END	LLAGCR	1030	1,065	34	36,210	8/12/2013	R	AC	84	$54	1,917,476	SEAL CRACKS
LLAGAS CT	LLAGAS RD	CUL-DE-SAVC	LLAGCT	1010	159	33	5,247	8/12/2013	R	AC	81	$10	1,459,452	SEAL CRACKS
LORI LN	PARK VIEW DR	END	LORILN	1010	227	25	5,675	8/12/2013	R	AC	81	$11	1,459,452	SEAL CRACKS
LOTUS WY	DIANA AVE	DAKOTA DR	LOTUSW	1010	480	28	13,440	8/12/2013	R	AC	82	$24	1,468,285	SEAL CRACKS
MAGNOLA CT	SADDLEBACK DR	CUL DE SAC	MAGNOL	1020	291	33	9,603	8/12/2013	R	AC	82	$17	1,468,285	SEAL CRACKS
MALBEC DR	105 FT S/O DOMAINE DR	CUL DE SAC S. OF MERLOT	MALBED	1010	475	33	15,675	8/12/2013	R	AC	82	$27	1,468,285	SEAL CRACKS
MERLOT DR	HILL RD	MALBEC DR	MERLOT	1010	364	33	12,012	8/12/2013	R	AC	82	$21	1,468,285	SEAL CRACKS
MISSION AVENIDA	MISSION VIEW DR	ALCALA CT	MISSIO	1010	428	37	15,836	8/12/2013	R	AC	82	$28	1,468,285	SEAL CRACKS
MONTEREY ST	WEST MIDDLE AV	WATSONVILLE RD	MONTER	1020	3,010	75	225,750	8/12/2013	A	AC/AC	87	$142	4,127,652	SEAL CRACKS
MONTEREY ST	512 FT S/SAN PEDRO AV	SAN PEDRO AV	MONTER	1082	512	80	40,960	8/12/2013	A	AC/AC	87	$26	4,127,652	SEAL CRACKS
MONTEREY ST	MYRTLE AV	DUNNE AV	MONTER	1101	448	64	28,672	8/12/2013	A	AC/AC	87	$18	4,127,652	SEAL CRACKS

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2021

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
MONTOYA CR	BEL AIR CT	EAST MAIN AV	MONTOY	1010	1,373	40	54,912	8/12/2013	R	AC	82	$96	1,467,975	SEAL CRACKS
OAKGROVE CT	END	OAKGROVE DR	OAKGRC	1010	528	40	21,120	8/12/2013	R	AC	79	$43	1,431,786	SEAL CRACKS
OAK LEAF DR	PVT CHG 485' S/O LORI LN	VALLEY VIEW CT	OAKLED	1020	1,699	24	40,776	8/12/2013	R	AC	81	$75	1,459,452	SEAL CRACKS
OAK LEAF DR	VALLEY VIEW CT	END	OAKLED	1030	845	24	20,275	8/12/2013	R	AC	82	$36	1,467,975	SEAL CRACKS
PADUA CT	MISSION AVE	CUL DE SAC	PADUA	1010	298	33	9,834	8/12/2013	R	AC	82	$17	1,468,285	SEAL CRACKS
PEEBLES AV	MONTEREY ST	PVMT CHANGE	PEEBLE	1010	850	36	30,600	8/12/2013	R	AC	82	$53	1,467,981	SEAL CRACKS
PIEDMONT CT	WEST DUNNE AV	END	PIEDMO	1010	370	40	14,784	8/12/2013	R	AC	80	$29	1,450,220	SEAL CRACKS
RED TAIL PL	PEET RD	CUL-DE-SAC	REDTAL	1010	130	34	6,041	8/12/2013	R	AC	81	$11	1,714,036	SEAL CRACKS
RIL MARIANNA CT	LLAGAS CREEK RD	CUL-DE-SAC	RIMACT	1010	600	34	20,400	8/12/2013	R	AC	84	$31	1,917,476	SEAL CRACKS
RIO GRANDE CT	CALLE HERMOSA	CUL-DE-SAC	RIOGRA	1010	235	33	7,755	8/12/2013	R	AC	82	$14	1,468,285	SEAL CRACKS
RIO ORO CT	CALLE HERMOSA	CUL-DE-SAC	RIOORO	1010	160	33	5,280	8/12/2013	R	AC	82	$10	1,468,285	SEAL CRACKS
ROSEMARY CIRCLE	DIANA AV	ST. ANTHONY DR	ROSEMA	1015	1,005	37	37,185	8/12/2013	R	AC	82	$64	1,468,285	SEAL CRACKS
ROSEMARY CIRCLE	ST. ANTHONY DR	ST. JOSEPH DR	ROSEMA	1020	450	37	16,650	8/12/2013	R	AC	82	$29	1,468,285	SEAL CRACKS
ROSEMARY CIRCLE	ST. JOSEPH DR	ROSEMARY CIR	ROSEMA	1030	340	37	12,580	8/12/2013	R	AC	82	$22	1,468,285	SEAL CRACKS
SAGE AV	CURRY AV	CUL-DE-SAC	SAGEAV	1010	710	34	24,140	8/12/2013	R	AC	78	$52	1,469,822	SEAL CRACKS
SAN ANTONIO DR	S/O SAN ANTONIO WAY	S/O SANTA INES	SANANT	1020	248	32	7,936	8/12/2013	R	AC	82	$14	1,467,741	SEAL CRACKS
SAN CRISTOVAL CT	SAN RAMON DR	CUL-DE-SAC	SANCRI	1010	240	33	7,920	8/12/2013	R	AC	82	$14	1,468,285	SEAL CRACKS
SANDALWOOD WY	END	KATYBETH WY	SANDAL	1010	573	40	22,920	8/12/2013	R	AC	81	$42	1,459,452	SEAL CRACKS
SAN GABRIEL AVE	E/O SAN BENITO PL	E/O SAN GABRIEL CT	SANGAA	1010	258	32	8,256	8/12/2013	R	AC	81	$16	1,766,076	SEAL CRACKS

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2021

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
WALNUT GROVE DR	E DUNNE AVE	CUL-DE-SAC	WALNUT	1120	1,169	39	45,591	8/12/2013	R	AC	81	$83	1,459,452	SEAL CRACKS
WARREN AV	HALE AVE	DEL MONTE AVE	WARREN	1012	635	37	23,495	8/12/2013	R	AC	78	$52	1,390,424	SEAL CRACKS
W DUNNE AV	JOHN TELFER DR	DEWITT AV	WDUNNE	1020	1,056	46	48,576	8/12/2013	R	AC	79	$98	1,431,786	SEAL CRACKS
												Treatment Total		$4,553
				Year 2021 Area Total			7,071,549					Year 2021 Total		$5,311,735
				Total Section Area:			26,419,677					Grand Total		$26,607,342

Scenarios - Sections Selected for Treatment

Interest: 3.00% Inflation: 3.00% Printed: 03/12/2016

Scenario: 2015 Recommended Budget ($5.4M, 16.5% PM)

Year: 2021

Street Name	Begin Location	End Location	Street ID	Section	Length	Width	Area	Last Inspected	FC	Surf Type	PCI	Cost	Rating	Treatment
SAN LUIS WY	E/O CORY DR	W/O SAN LUIS WAY	SANLUI	1020	224	32	7,168	8/12/2013	R	AC	81	$13	1,467,320	SEAL CRACKS
SAN MARCOS CT	SAN RAMON DR	CUL-DE-SAC	SANMAR	1010	185	33	6,105	8/12/2013	R	AC	82	$11	1,468,285	SEAL CRACKS
ST. JAMES DR	JUAN HERNANDEZ	116' W/ ST LAWRENCE DR	STJAME	1010	494	37	18,278	8/12/2013	R	AC	80	$35	1,450,232	SEAL CRACKS
ST MARKS AVE	W/O COCHRANE RD	S/O ST KATHERINE DR	STMARA	1010	1,275	24	30,600	8/12/2013	R	AC	80	$59	1,450,539	SEAL CRACKS
ST MARKS CT	W/O ST MARKS AVE	CUL DE SAC	STMARC	1010	194	25	6,780	8/12/2013	R	AC	82	$12	1,468,045	SEAL CRACKS
SUNNYSIDE AV	STONE GATE CT	APPIAN WY	SUNNYS	1020	633	28	17,741	8/12/2013	A	AC/AC	87	$12	4,127,652	SEAL CRACKS
TARRAGON AV	SAFRON DR	CUL-DE-SAC	TARRAV	1010	1,009	34	34,306	8/12/2013	R	AC	82	$59	1,759,924	SEAL CRACKS
THYME AV	MARJORAM DR	CUL-DE-SAC (WEST END)	THYMAV	1010A	234	34	7,956	8/12/2013	R	AC	78	$18	1,469,822	SEAL CRACKS
THYME AV	MARJORAM DR	CUL-DE-SAC (EAST END)	THYMAV	1010B	396	34	13,464	8/12/2013	R	AC	79	$27	1,569,977	SEAL CRACKS
TRAIL DR	CERRO VISTA DR	PVT CHG	TRAILD	1030	454	36	16,344	8/12/2013	C	AC	87	$11	2,872,742	SEAL CRACKS
TRAIL DR	CERRO VISTA DR	FOUNTAIN OAKS DR	TRAILD	1040	897	40	35,904	8/12/2013	C	AC	87	$23	2,872,742	SEAL CRACKS
VALLEY VIEW CT	END	OAK LEAF DR	VALLEY	1010	370	24	8,870	8/12/2013	R	AC	82	$16	1,467,975	SEAL CRACKS
VIA EDUARDO	APPIAN WY	END	VIAEDU	1010	158	32	5,069	8/12/2013	R	AC	79	$11	1,431,786	SEAL CRACKS
VIA LARGO	LA JOLLA	CUL-DE-SAC	VIALAR	1010	835	37	30,895	8/12/2013	R	AC	81	$57	1,459,452	SEAL CRACKS
VIA VENETO	APPIAN WY	END	VIAVEN	1010	211	32	6,758	8/12/2013	R	AC	79	$14	1,431,786	SEAL CRACKS
VINEYARD CT	END	VINEYARD BL	VINEYC	1060	422	40	16,896	8/12/2013	R	AC	81	$31	1,459,522	SEAL CRACKS
VISTA CT	END	MUNRO WY	VISTCT	1010	264	40	10,560	8/12/2013	R	AC	79	$23	1,419,848	SEAL CRACKS
WALNUT GROVE DR	WALNUT GROVE DR	DIANA AV	WALNUT	1020	663	48	31,824	8/12/2013	R	AC	81	$58	1,459,452	SEAL CRACKS
WALNUT GROVE DR	DIANA AV	END (S)	WALNUT	1030	807	48	38,736	8/12/2013	R	AC	81	$71	1,459,452	SEAL CRACKS

Appendix G: Decision Tree

Decision Tree

Printed: 03/01/2016

Functional Class	Surface	Condition Category	Treatment Type	Treatment	Cost/Sq Yd, except Seal Cracks in LF:	Yrs Between Crack Seals	Yrs Between Surface Seals	# of Surface Seals before Overlay
Arterial	AC	I - Very Good	Crack Treatment	SEAL CRACKS	$0.60	3		
			Surface Treatment	SLURRY SEAL - TYPE II	$2.75		4	
			Restoration Treatment	2 IN AC OVERLAY	$30.00			1
		II - Good, Non-Load Related		2 IN AC OVERLAY	$30.00			
		III - Good, Load Related		2 IN AC OVERLAY	$34.64			
		IV - Poor		2 IN AC OVERLAY W/ FABRIC	$36.25			
		V - Very Poor		RECONSTRUCTION	$66.00			
	AC/AC	I - Very Good	Crack Treatment	SEAL CRACKS	$0.60	3		
			Surface Treatment	SLURRY SEAL - TYPE II	$2.75		4	
			Restoration Treatment	2 IN AC OVERLAY	$30.00			1
		II - Good, Non-Load Related		2 IN AC OVERLAY	$30.00			
		III - Good, Load Related		2 IN AC OVERLAY	$34.64			
		IV - Poor		2 IN AC OVERLAY W/ FABRIC	$36.25			
		V - Very Poor		RECONSTRUCTION	$66.00			
	AC/PCC	I - Very Good	Crack Treatment	DO NOTHING	$0.00	3		
			Surface Treatment	DO NOTHING	$0.00		5	
			Restoration Treatment	2 IN AC OVERLAY	$7.74			2
		II - Good, Non-Load Related		2 IN AC OVERLAY	$7.74			
		III - Good, Load Related		2 IN AC OVERLAY	$7.74			
		IV - Poor		2 IN AC OVERLAY W/ FABRIC	$8.84			
		V - Very Poor		RECONSTRUCTION	$40.50			

Functional Class and Surface combination not used

Decision Tree

Printed: 03/01/2016

Functional Class	Surface	Condition Category	Treatment Type	Treatment	Cost/Sq Yd, except Seal Cracks in LF:	Yrs Between Crack Seals	Yrs Between Surface Seals	# of Surface Seals before Overlay
Arterial	PCC	I - Very Good	Crack Treatment	DO NOTHING	$0.00	3		
			Surface Treatment	DO NOTHING	$0.00		99	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		DO NOTHING	$0.00			
		III - Good, Load Related		DO NOTHING	$0.00			
		IV - Poor		DO NOTHING	$0.00			
		V - Very Poor		DO NOTHING	$0.00			
	ST	I - Very Good	Crack Treatment	DO NOTHING	$0.00	99		
			Surface Treatment	DO NOTHING	$0.00		99	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		DO NOTHING	$0.00		99	
		III - Good, Load Related		DO NOTHING	$0.00		99	
		IV - Poor		DO NOTHING	$0.00		99	
		V - Very Poor		DO NOTHING	$0.00		99	

Functional Class and Surface combination not used

Decision Tree

Printed: 03/01/2016

Functional Class	Surface	Condition Category	Treatment Type	Treatment	Cost/Sq Yd, except Seal Cracks in LF:	Yrs Between Crack Seals	Yrs Between Surface Seals	# of Surface Seals before Overlay
Collector	AC	I - Very Good	Crack Treatment	SEAL CRACKS	$0.60	3		
			Surface Treatment	SLURRY SEAL	$2.75		4	
			Restoration Treatment	CAPE SEALS	$9.97			1
		II - Good, Non-Load Related		2 IN AC OVERLAY	$23.01			
		III - Good, Load Related		2 IN AC OVERLAY	$34.64			
		IV - Poor		2 IN AC OVERLAY W/ FABRIC	$36.25			
		V - Very Poor		RECONSTRUCTION	$66.00			
	AC/AC	I - Very Good	Crack Treatment	SEAL CRACKS	$0.60	3		
			Surface Treatment	SLURRY SEAL - TYPE II	$2.75		4	
			Restoration Treatment	CAPE SEALS	$9.97			1
		II - Good, Non-Load Related		2 IN AC OVERLAY	$23.01			
		III - Good, Load Related		2 IN AC OVERLAY	$34.64			
		IV - Poor		2 IN AC OVERLAY W/ FABRIC	$36.25			
		V - Very Poor		RECONSTRUCTION	$66.00			
	AC/PCC	I - Very Good	Crack Treatment	DO NOTHING	$0.00	3		
			Surface Treatment	SLURRY SEAL	$1.08		7	
			Restoration Treatment	CAPE SEALS	$5.24			2
		II - Good, Non-Load Related		2 IN AC OVERLAY	$7.74			
		III - Good, Load Related		2 IN AC OVERLAY	$7.74			
		IV - Poor		2 IN AC OVERLAY W/ FABRIC	$8.84			
		V - Very Poor		RECONSTRUCTION	$40.50			

Functional Class and Surface combination not used

Decision Tree

Printed: 03/01/2016

Functional Class	Surface	Condition Category	Treatment Type	Treatment	Cost/Sq Yd, except Seal Cracks in LF:	Yrs Between Crack Seals	Yrs Between Surface Seals	# of Surface Seals before Overlay
Collector	PCC	I - Very Good	Crack Treatment	DO NOTHING	$0.00	3		
			Surface Treatment	DO NOTHING	$0.00		99	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		DO NOTHING	$0.00			
		III - Good, Load Related		DO NOTHING	$0.00			
		IV - Poor		DO NOTHING	$0.00			
		V - Very Poor		DO NOTHING	$0.00			
	ST	I - Very Good	Crack Treatment	DO NOTHING	$0.00	99		
			Surface Treatment	DO NOTHING	$0.00		99	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		DO NOTHING	$0.00		99	
		III - Good, Load Related		DO NOTHING	$0.00		99	
		IV - Poor		DO NOTHING	$0.00		99	
		V - Very Poor		DO NOTHING	$0.00		99	

Functional Class and Surface combination not used

Decision Tree

Printed: 03/01/2016

Functional Class	Surface	Condition Category	Treatment Type	Treatment	Cost/Sq Yd, except Seal Cracks in LF:	Yrs Between Crack Seals	Yrs Between Surface Seals	# of Surface Seals before Overlay
Residential/Local	AC	I - Very Good	Crack Treatment	SEAL CRACKS	$0.50	3		
			Surface Treatment	SLURRY SEAL - TYPE II	$2.12		4	
			Restoration Treatment	SLURRY SEALS	$2.12			2
		II - Good, Non-Load Related		CAPE SEAL	$8.30			
		III - Good, Load Related		2 IN AC OVERLAY	$28.12			
		IV - Poor		2 IN AC OVERLAY W/ FABRIC	$34.13			
		V - Very Poor		RECONSTRUCTION	$56.37			
	AC/AC	I - Very Good	Crack Treatment	SEAL CRACKS	$0.50	3		
			Surface Treatment	SLURRY SEAL - TYPE II	$2.12		4	
			Restoration Treatment	SLURRY SEALS	$2.12			2
		II - Good, Non-Load Related		CAPE SEAL	$8.30			
		III - Good, Load Related		2 IN AC OVERLAY	$28.12			
		IV - Poor		2 IN AC OVERLAY W/ FABRIC	$34.13			
		V - Very Poor		RECONSTRUCTION	$56.37			
	AC/PCC	I - Very Good	Crack Treatment	DO NOTHING	$0.00	99		
			Surface Treatment	SLURRY SEAL	$1.08		5	
			Restoration Treatment	SLURRY SEALS	$1.08			2
		II - Good, Non-Load Related		CAPE SEAL	$5.24			
		III - Good, Load Related		1.5 IN AC OVERLAY	$7.74			
		IV - Poor		2 IN AC OVERLAY W/ FABRIC	$8.84			
		V - Very Poor		RECONSTRUCTION	$40.50			

Functional Class and Surface combination not used

Decision Tree

Printed: 03/01/2016

Functional Class	Surface	Condition Category	Treatment Type	Treatment	Cost/Sq Yd, except Seal Cracks in LF:	Yrs Between Crack Seals	Yrs Between Surface Seals	# of Surface Seals before Overlay
Residential/Local	PCC	I - Very Good	Crack Treatment	DO NOTHING	$0.00	3		
			Surface Treatment	DO NOTHING	$0.00		99	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		DO NOTHING	$0.00			
		III - Good, Load Related		DO NOTHING	$0.00			
		IV - Poor		DO NOTHING	$0.00			
		V - Very Poor		DO NOTHING	$0.00			
	ST	I - Very Good	Crack Treatment	DO NOTHING	$0.00	99		
			Surface Treatment	DO NOTHING	$0.00		99	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		DO NOTHING	$0.00		99	
		III - Good, Load Related		DO NOTHING	$0.00		99	
		IV - Poor		DO NOTHING	$0.00		99	
		V - Very Poor		DO NOTHING	$0.00		99	

Functional Class and Surface combination not used

Decision Tree

Printed: 03/01/2016

Functional Class	Surface	Condition Category	Treatment Type	Treatment	Cost/Sq Yd, except Seal Cracks in LF:	Yrs Between Crack Seals	Yrs Between Surface Seals	# of Surface Seals before Overlay
Other	AC	I - Very Good	Crack Treatment	DO NOTHING	$0.00	99		
			Surface Treatment	SINGLE CHIP SEAL	$0.75		5	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		AC OVERLAY, 1.5 IN	$7.00			
		III - Good, Load Related		AC OVERLAY, 1.5 IN	$8.50			
		IV - Poor		AC OVERLAY W/FABRIC, 2.0 IN	$13.50			
		V - Very Poor		RECONSTRUCT SURFACE (AC)	$27.00			
	AC/AC	I - Very Good	Crack Treatment	DO NOTHING	$0.00	99		
			Surface Treatment	SINGLE CHIP SEAL	$0.75		5	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		AC OVERLAY, 1.5 IN	$7.00			
		III - Good, Load Related		AC OVERLAY, 1.5 IN	$8.50			
		IV - Poor		AC OVERLAY W/FABRIC, 2.0 IN	$13.50			
		V - Very Poor		RECONSTRUCT SURFACE (AC)	$27.00			
	AC/PCC	I - Very Good	Crack Treatment	DO NOTHING	$0.00	99		
			Surface Treatment	SINGLE CHIP SEAL	$0.75		5	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		AC OVERLAY, 1.5 IN	$7.00			
		III - Good, Load Related		AC OVERLAY, 1.5 IN	$8.50			
		IV - Poor		AC OVERLAY W/FABRIC, 2.0 IN	$13.50			
		V - Very Poor		RECONSTRUCT SURFACE (AC)	$27.00			

Functional Class and Surface combination not used

Decision Tree

Printed: 03/01/2016

Functional Class	Surface	Condition Category	Treatment Type	Treatment	Cost/Sq Yd, except Seal Cracks in LF:	Yrs Between Crack Seals	Yrs Between Surface Seals	# of Surface Seals before Overlay
Other	PCC	I - Very Good	Crack Treatment	DO NOTHING	$0.00	99		
			Surface Treatment	DO NOTHING	$0.00		99	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		SEAL CRACKS	$0.60			
		III - Good, Load Related		SEAL CRACKS	$0.60			
		IV - Poor		PANEL REPLACEMENT	$5.00			
		V - Very Poor		RECONSTRUCT STRUCTURE (AC)	$45.00			
	ST	I - Very Good	Crack Treatment	DO NOTHING	$0.00	99		
			Surface Treatment	DO NOTHING	$0.00		99	
			Restoration Treatment	DO NOTHING	$0.00			100
		II - Good, Non-Load Related		DO NOTHING	$0.00		99	
		III - Good, Load Related		DO NOTHING	$0.00		99	
		IV - Poor		DO NOTHING	$0.00		99	
		V - Very Poor		DO NOTHING	$0.00		99	

Functional Class and Surface combination not used

Appendix H: GIS Reports

CITY OF MORGAN HILL

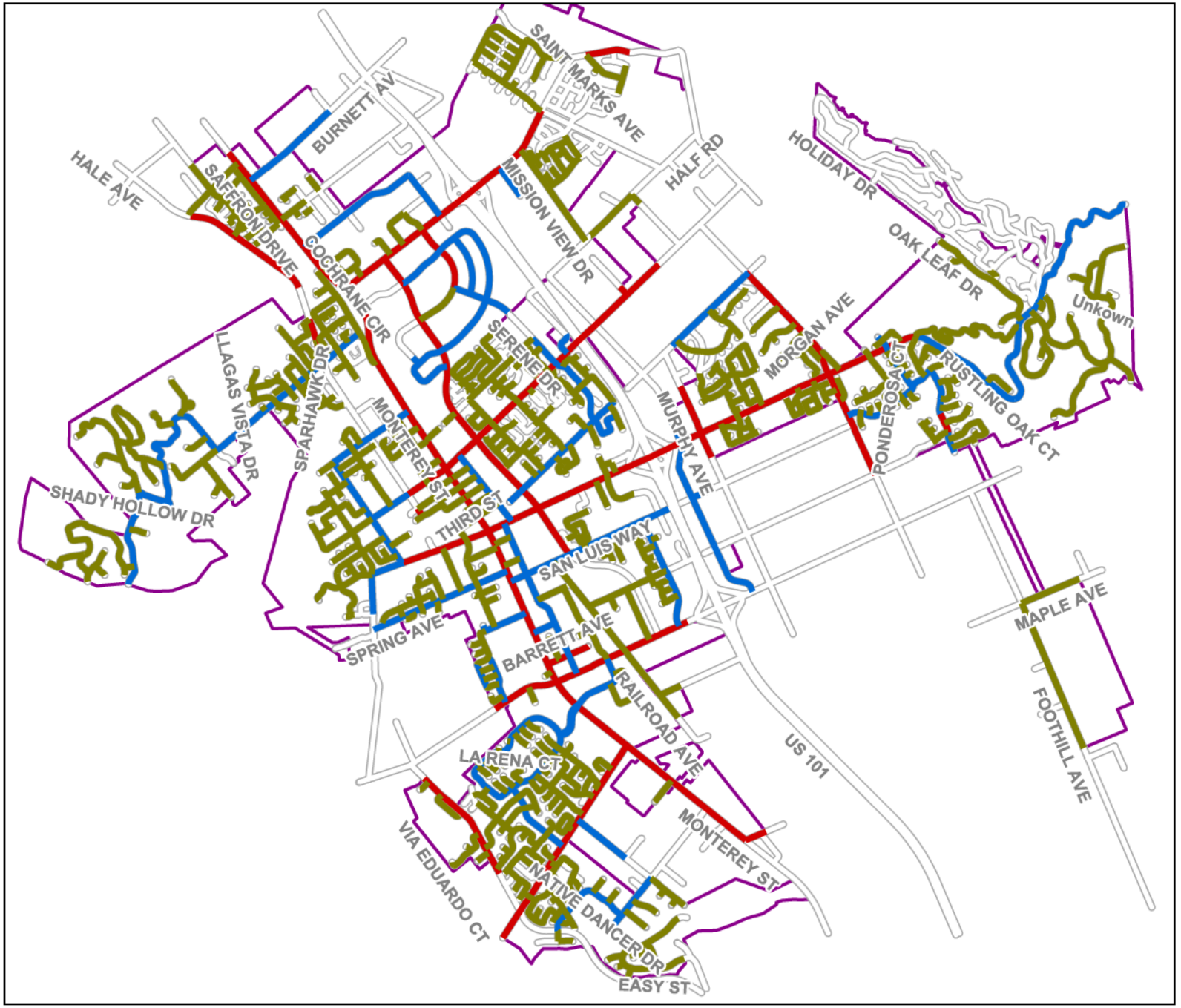
Functional Class

Printed: 3/1/2016

Feature Legend

- A Arterial
- C Collector
- R Residential/Local

0 0.5 1 Miles



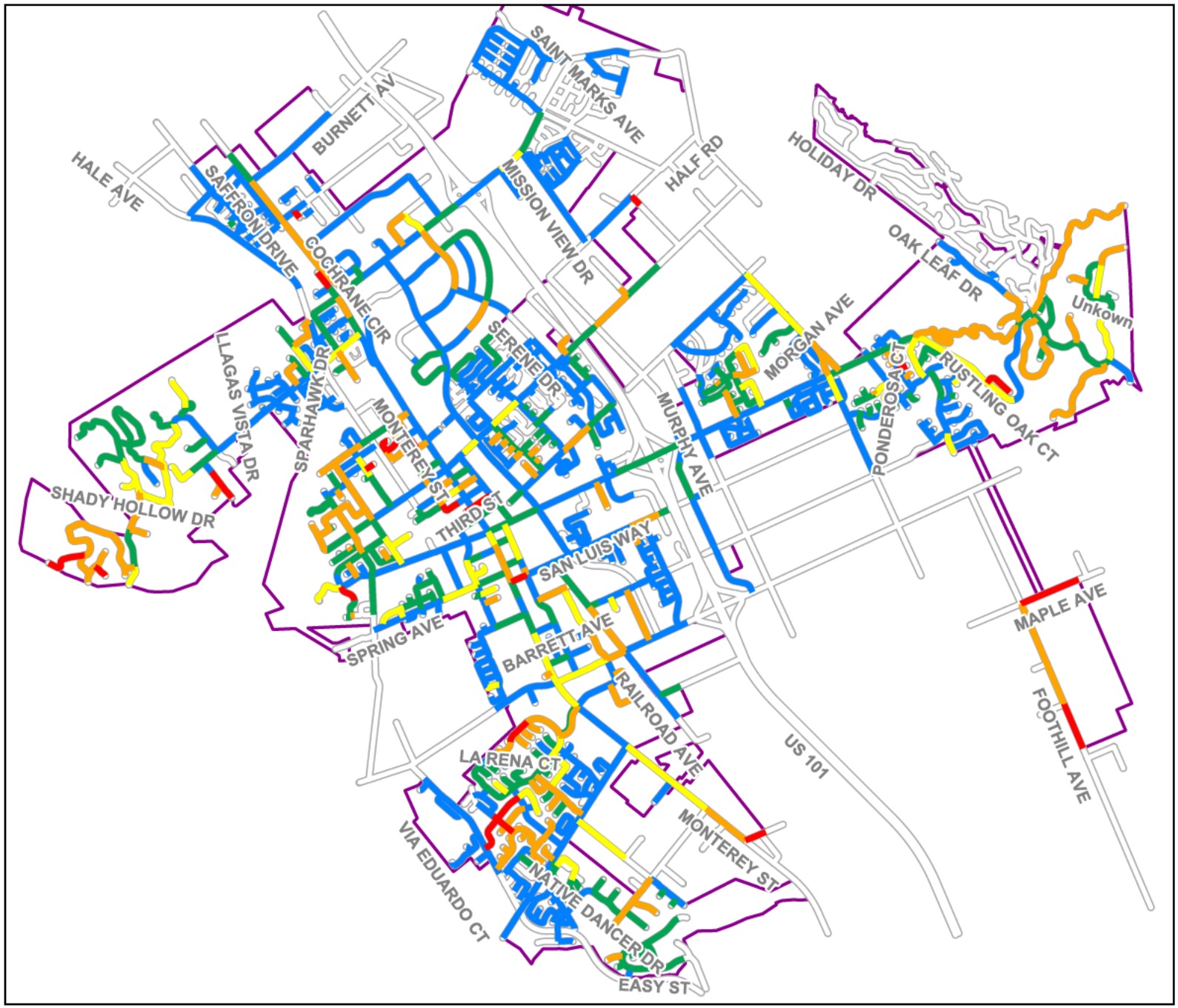
CITY OF MORGAN HILL

Current PCI Condition

Printed: 3/1/2016

Feature Legend

- I - Very Good
- II - Good (non-load)
- III - Good (load-related)
- IV - Poor
- V - Very Poor



0 0.5 1 Miles

CITY OF MORGAN HILL

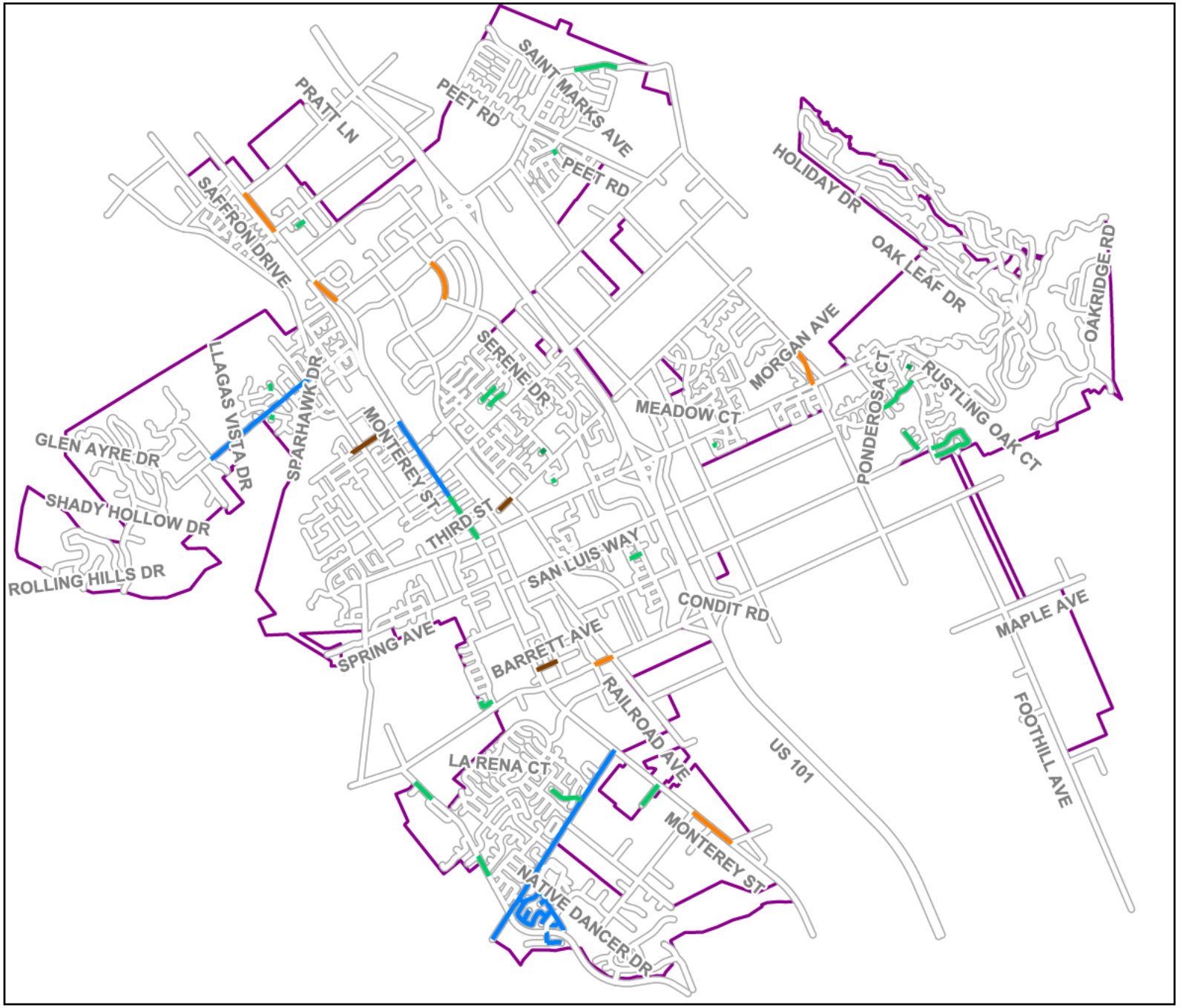
Scenario Treatments

2015 Current Budget (Avg $1.43M, Avg 29.9% PM) - 2017 Project Period - Printed: 3/12/2016

Feature Legend

- 2 IN AC OVERLAY
- 2 IN AC OVERLAY W/ FABRIC
- CAPE SEAL
- SEAL CRACKS
- SLURRY SEAL - TYPE II

0 0.5 1 Miles



CITY OF MORGAN HILL

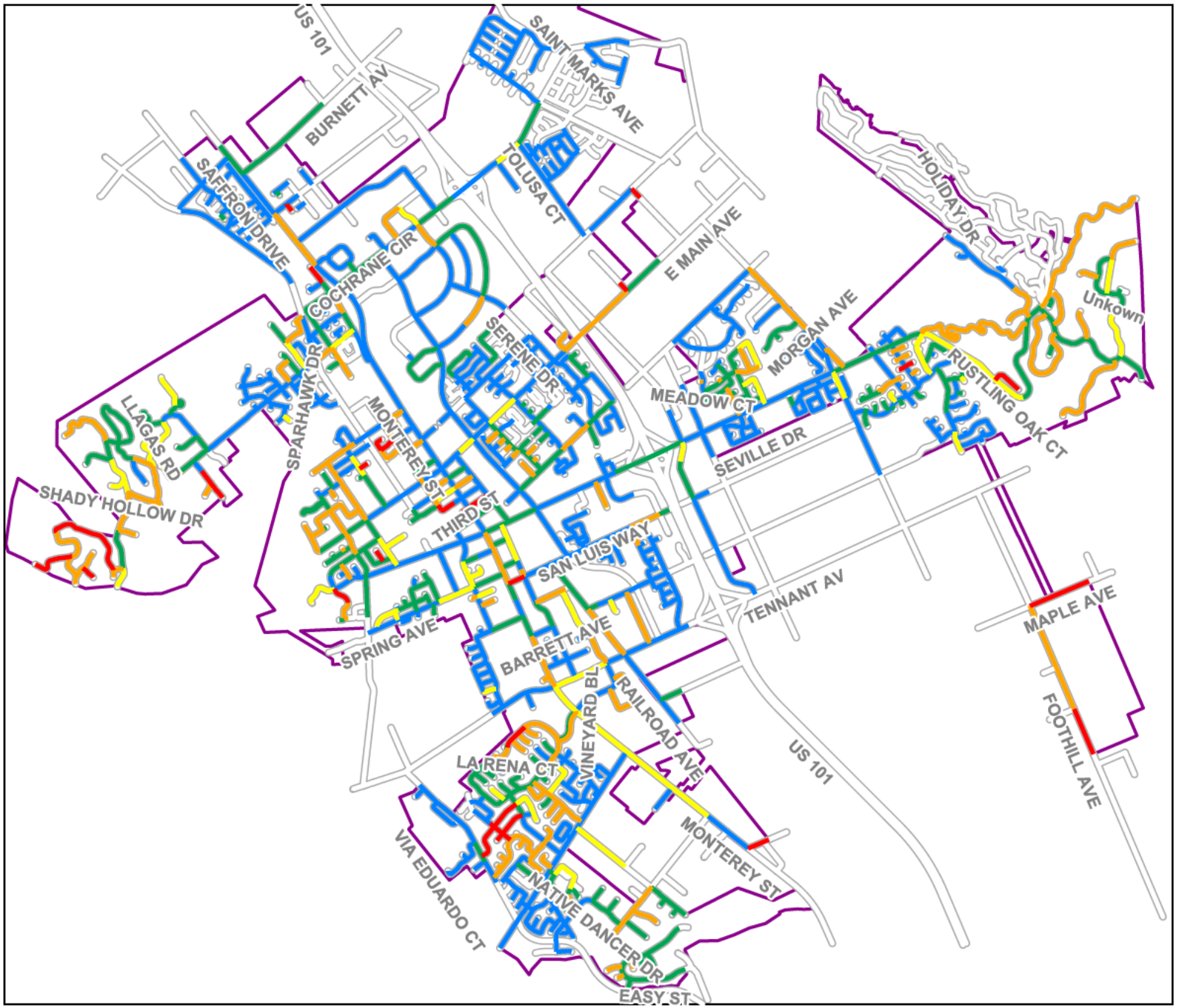
Scenario PCI Condition

2015 Current Budget (Avg $1.43M, Avg 29.9% PM) - 2017 Project Period - Total Rehab: $2,260,670 - Printed: 3/12/2016

Feature Legend

- I - Very Good
- II - Good (non-load)
- III - Good (load-related)
- IV - Poor
- V - Very Poor

0 0.5 1 Miles



CITY OF MORGAN HILL

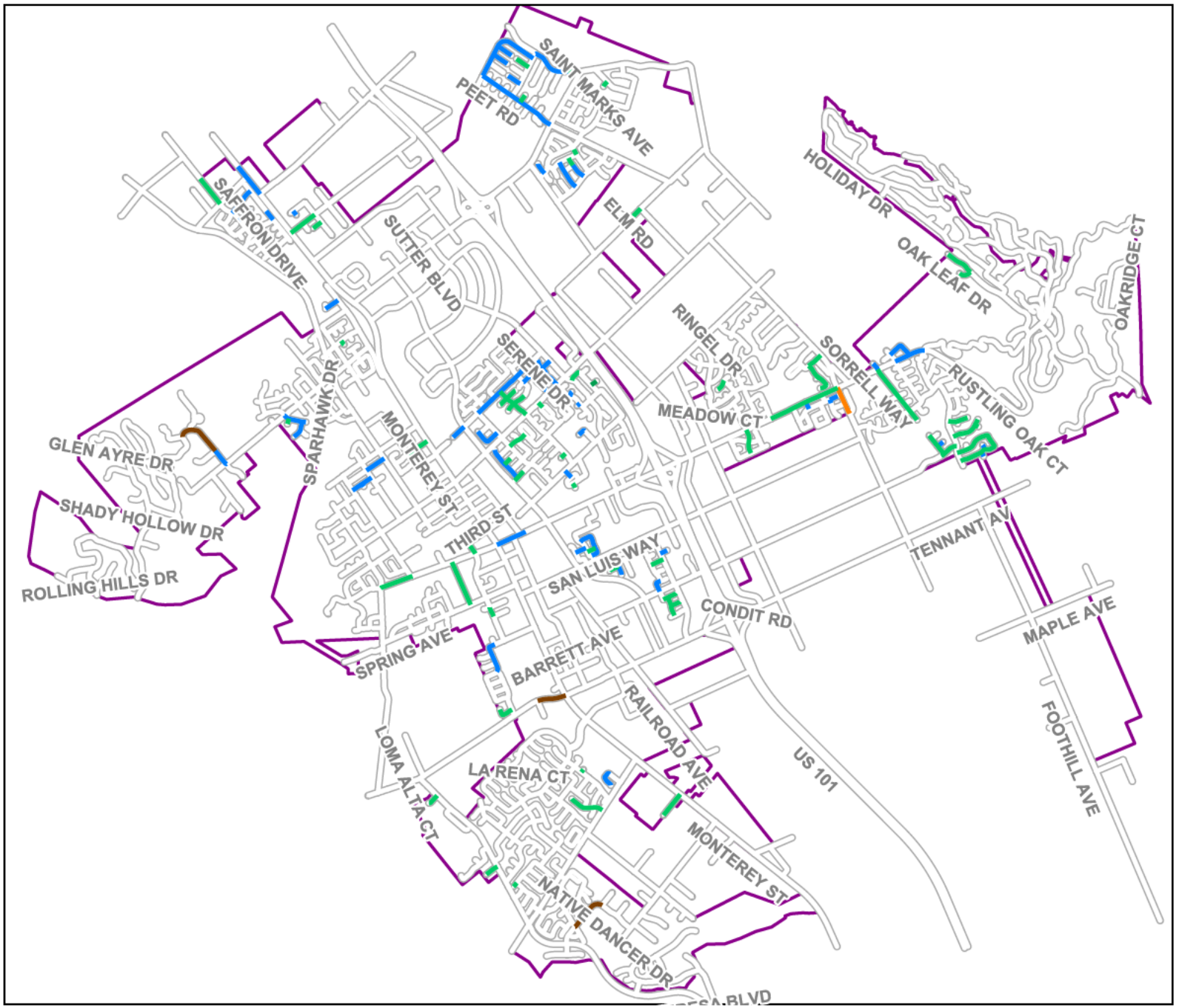
Scenario Treatments

2015 Current Budget (Avg $1.43M, Avg 29.9% PM) - 2021 Project Period - Printed: 3/12/2016

Feature Legend

- 2 IN AC OVERLAY
- 2 IN AC OVERLAY W/ FABRIC
- CAPE SEAL
- SEAL CRACKS
- SLURRY SEAL - TYPE II

0 0.5 1 Miles



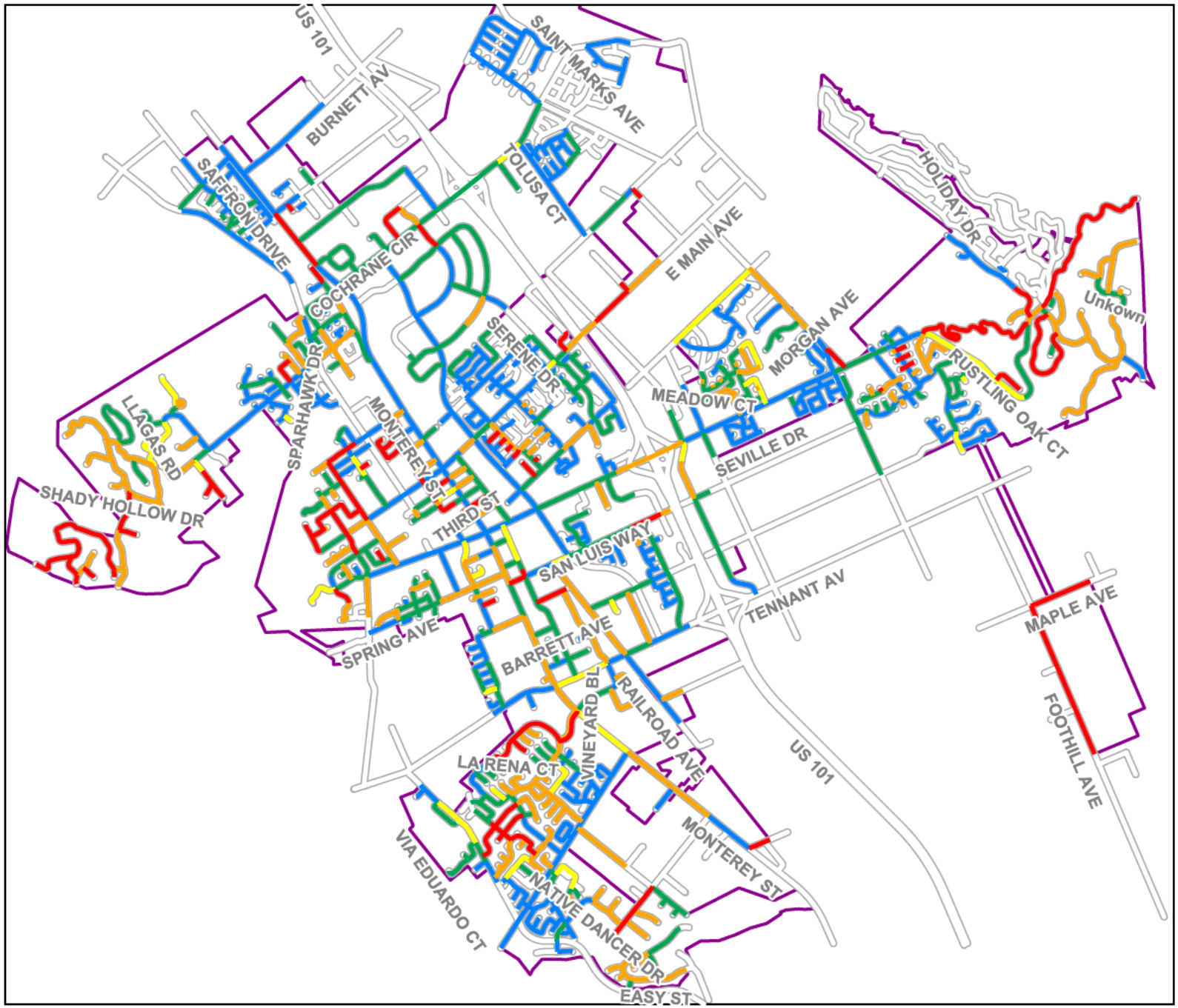
CITY OF MORGAN HILL

Scenario PCI Condition

2015 Current Budget (Avg $1.43M, Avg 29.9% PM) - 2021 Project Period - Total Rehab: $685,715 - Printed: 3/12/2016

Feature Legend

- I - Very Good
- II - Good (non-load)
- III - Good (load-related)
- IV - Poor
- V - Very Poor



0 0.5 1 Miles

CITY OF MORGAN HILL

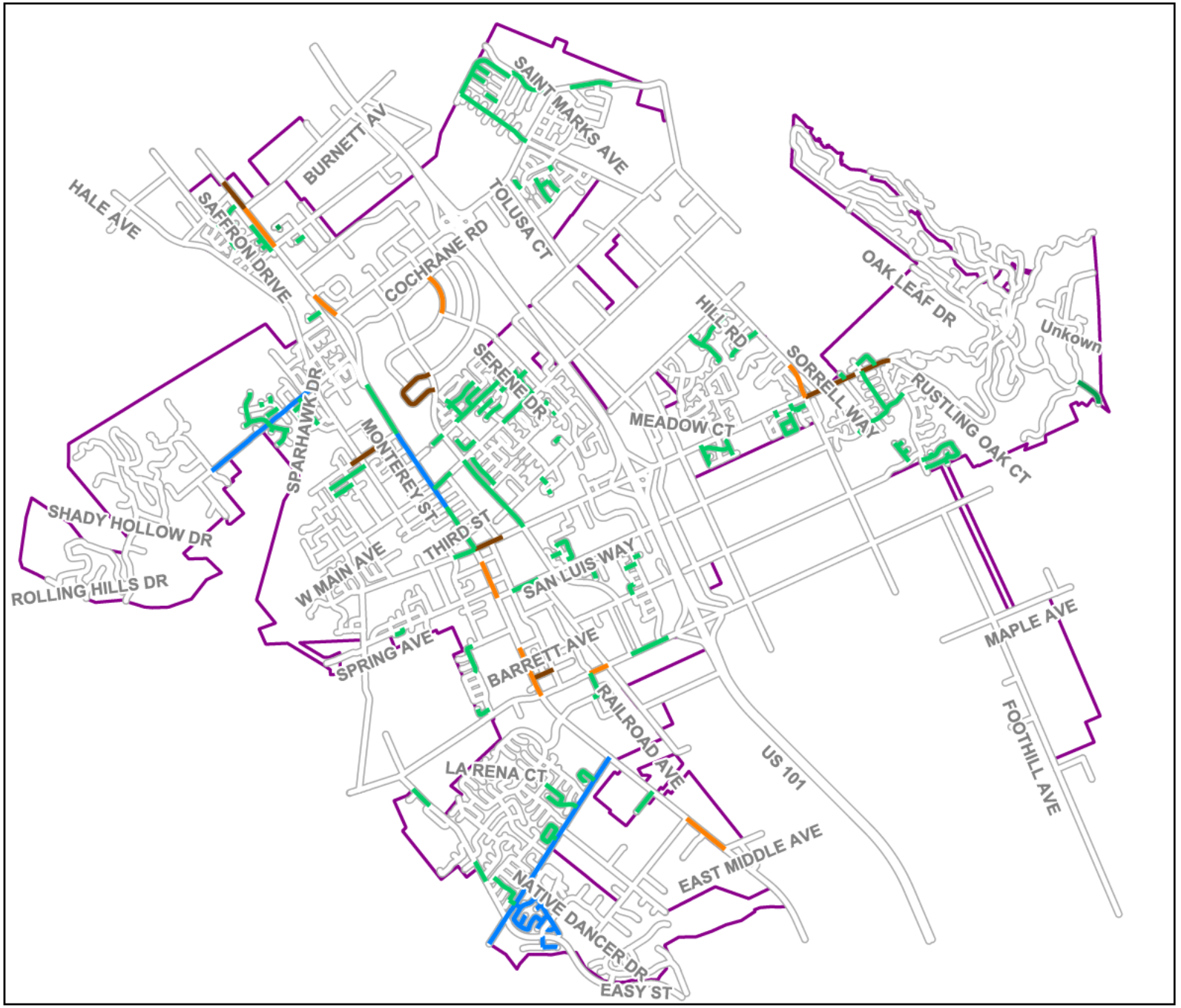
Scenario Treatments

2015 Recommended Budget ($5.4M, 16.5% PM) - 2017 Project Period - Printed: 3/12/2016

Feature Legend

- 2 IN AC OVERLAY
- 2 IN AC OVERLAY W/ FABRIC
- CAPE SEAL
- SEAL CRACKS
- SLURRY SEAL - TYPE II

0 0.5 1 Miles



CITY OF MORGAN HILL

Scenario PCI Condition

2015 Recommended Budget ($5.4M, 16.5% PM) - 2017 Project Period - Total Rehab: $4,507,213 - Printed: 3/12/2016

CITY OF MORGAN HILL

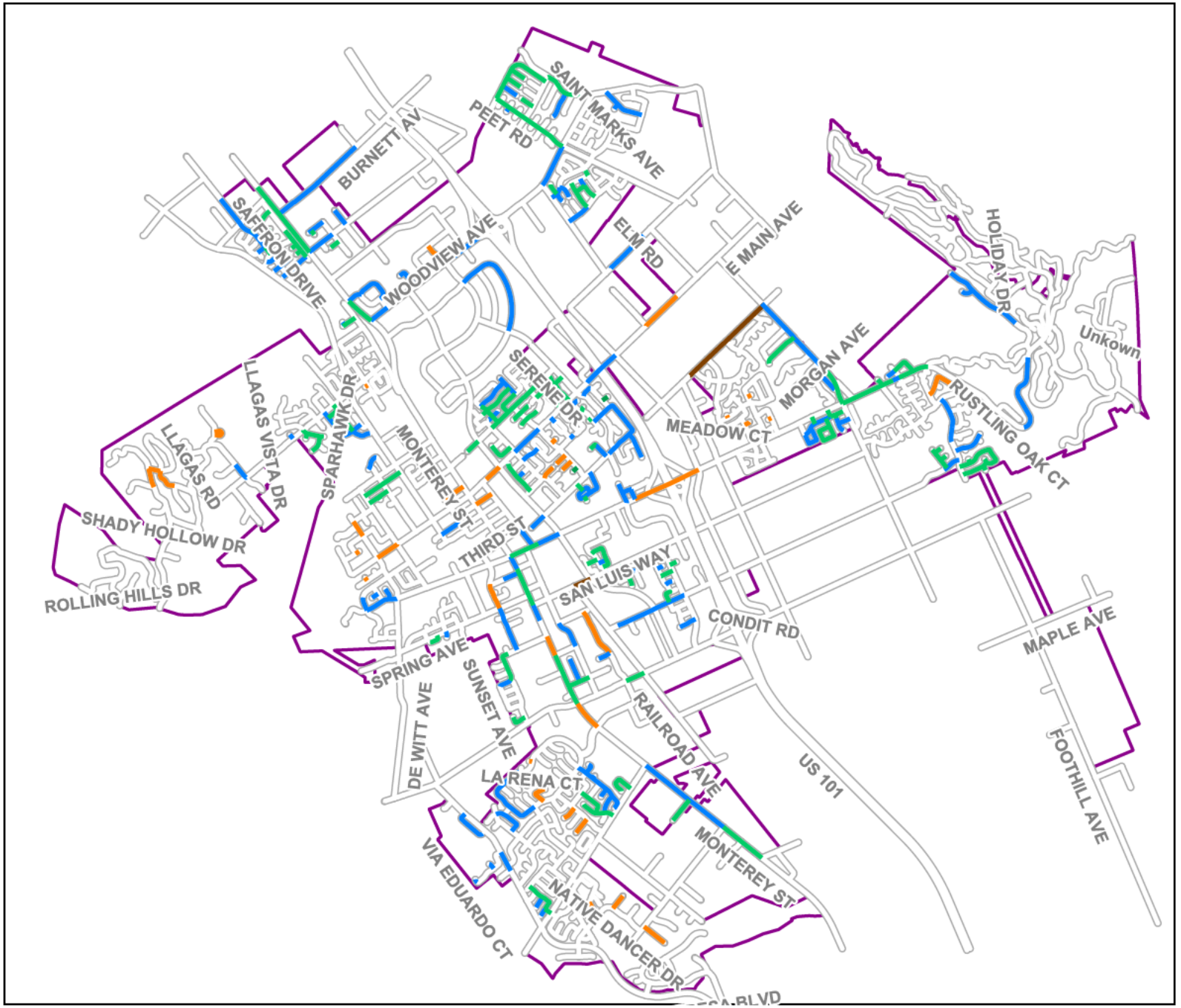
Scenario Treatments

2015 Recommended Budget ($5.4M, 16.5% PM) - 2021 Project Period - Printed: 3/12/2016

Feature Legend

- 2 IN AC OVERLAY
- 2 IN AC OVERLAY W/ FABRIC
- CAPE SEAL
- SEAL CRACKS
- SLURRY SEAL - TYPE II

0 0.5 1 Miles



CITY OF MORGAN HILL

Scenario PCI Condition

2015 Recommended Budget ($5.4M, 16.5% PM) - 2021 Project Period - Total Rehab: $4,508,854 - Printed: 3/12/2016

Constant Contact Survey Results

Survey Name: Quality of Life Needs Priorities

Response Status: Partial & Completed

Filter: None

4/29/2016 1:27 PM PDT

TextBlock:

We all agree that Morgan Hill is a special place with an amazing quality of life, unique sense of community, and strong property values. As a community, we must continue to address our quality of life needs to keep it that way.

The City of Morgan Hill strives to engage our community and realizes that we can continue to improve. We thank the 500 plus residents who have already provided feedback on the quality of life priorities through online and telephone surveys. We value your input.

The City is further engaging the community to obtain additional feedback about Morgan Hill's quality of life needs and to make sure as many people as possible have an opportunity to share their views. Please let us know what quality of life priorities are important to you by completing a Community Feedback Survey TODAY. Thank you for your participation!

Please check all the items that are important to you:

Answer	0% 100%	Number of Response(s)	Response Ratio
Rapidly responding to 9-1-1 emergency calls		412	79.3 %
Maintaining fire protection services		388	74.7 %
Maintaining city streets, roads and repairing potholes		424	81.6 %
Maintaining the number of police officers on neighborhood patrols		383	73.7 %
Maintaining a safe, clean, reliable local water supply		394	75.9 %
Maintaining crime prevention and investigation programs		359	69.1 %
Attracting and retaining local businesses		336	64.7 %
Maintaining the long-term financial stability of the City		372	71.6 %
Preserving open space		378	72.8 %
Enhancing youth crime prevention and gang intervention programs		311	59.9 %
Managing growth to maintain neighborhood character		384	73.9 %
Water conservation		258	49.7 %
	Totals	**519**	**100%**

Other priorities important to me, comments, and/or questions:

269 Response(s)

Please provide your contact information if you would like to discuss Morgan Hill's needs and priorities with a member of the City's team (OPTIONAL).

Answers	Number of Response(s)
First Name	168
Last Name	165
Company Name	52
Home Phone	112
Email Address	160
Address 1	150
Address 2	9
City	158
State/Province (US/Canada)	158
Postal Code	153
Cell Phone	83

GODBE RESEARCH
Gain Insight

MEMORANDUM

January 19, 2016

TO: City of Morgan Hill

FROM: Bryan Godbe
President
Godbe Research

RE: 2015 Community Satisfaction and Priorities Survey – Summary of the Results

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Introduction:

Consistent with the City's previous community engagement and commitment to understanding resident satisfaction and service priorities, the City of Morgan Hill commissioned Godbe Research to conduct a telephone survey to assess resident satisfaction and priorities for City services.

The results show constituents are highly satisfied with their quality of life and the services the City provides. An overwhelming majority of 90% of respondents rate Morgan Hill's quality of life as "excellent" or "good." And among several other very positive findings, 92% rate Morgan Hill "excellent" or "good" as a place to live.

Among other findings, the survey indicated safe, clean water, financial stability, and public safety are top service priorities. The survey also indicates that respondents are interested in extending and updating the City's Residential Development Control System (RDCS).

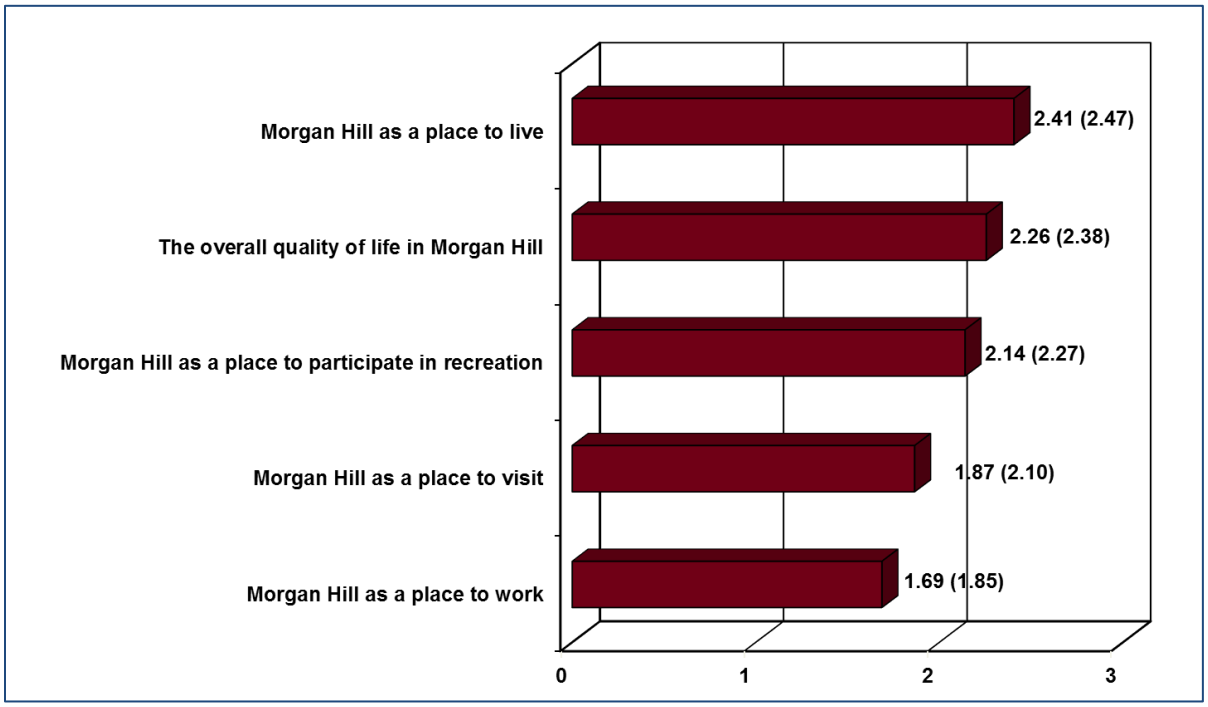
Methodology Overview:

Interviews were conducted from November 20th to December 9th, 2015, and the average phone interview time was approximately 22 minutes. A total of 501 City of Morgan Hill respondents participated in the survey, and the study parameters resulted in a margin of error of plus or minus 4.31 percent.

Quality of Life:

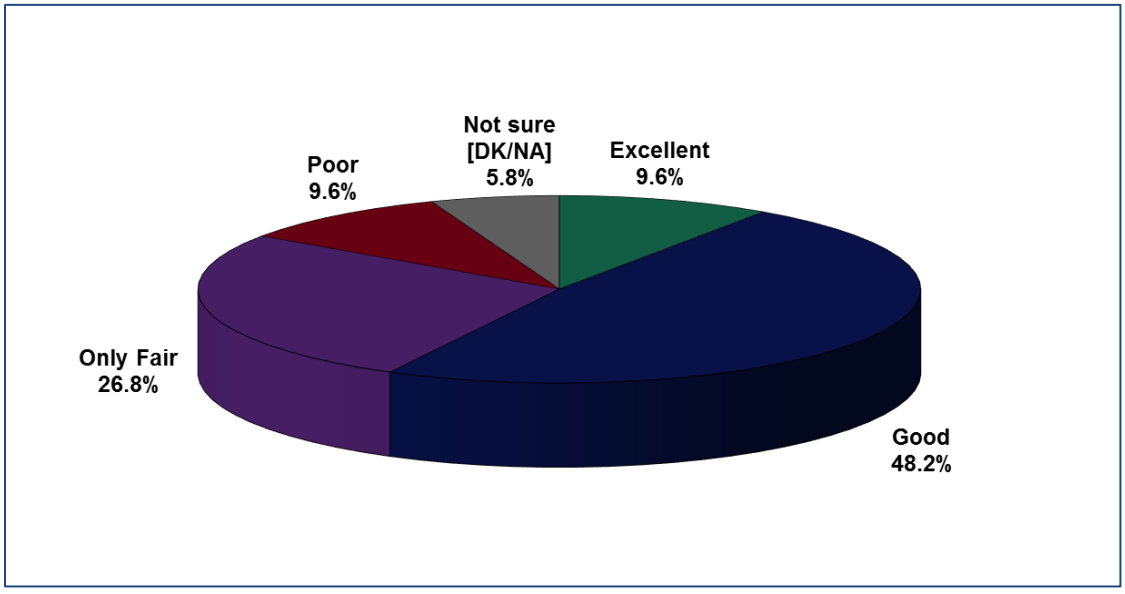
Survey respondents have a strong perception of the quality of life in the City of Morgan Hill with 90% indicating that the quality of life was excellent or good.

And, respondents also provided similarly high rankings for the "Morgan Hill as a place to live" (92%).



Satisfaction with the City of Morgan Hill's Job Performance:

Fifty-eight percent of survey respondents indicated that the City was doing and excellent or good job providing city services. This is an excellent/good to poor ratio of 6 to 1.



Respondents Identified the Following Service Priorities – Safe, Clean Water, Financial Stability, and Public Safety are in the Top Tier:

Survey respondents were presented with a variety of services to determine their importance. The survey results suggest clear priorities including maintaining rapid 9-1-1 emergency response a clean safe, reliable local water supply, and long-term financial stability of the city.

	Mean
4H. Rapidly responding to 9-1-1 emergency calls	2.64
4R. Maintaining a safe, clean, reliable local water supply	2.56
4S. Maintaining fire protection services	2.46
4D. Maintaining the Long-Term Financial Stability of the City	2.45
4G. Maintaining crime prevention and investigation programs	2.41
4K. Maintaining city streets, roads and repairing potholes	2.34
4A. Maintaining the number of Police officers on neighborhood patrols	2.31
4O. Attracting and retaining local businesses	2.27
4J. Managing growth to maintain neighborhood character	2.23
4E. Maintaining safe routes to schools	2.17
4Y. Maintaining major roads leading through town or to the freeway	2.15
4P. Maintaining Morgan Hill's unique community character	2.12
4Q. Preserving open space	2.11
4W. Enhancing youth crime prevention and gang intervention programs	2.09
4EE. Having good-paying jobs close to home	2.07
4BB. Maintaining programs to improve the local economy and job creation	2.06
4Z. Protecting the environment	2.02
4F. Providing adequate parks and recreation facilities	1.95
4C. Reducing traffic congestion on City streets	1.95
4L. Improving water conservation	1.94
4T. Maintaining sports, athletic, and recreation programs for youth and teens	1.92
4B. Maintaining neighborhood parks	1.92
4V. Maintaining after-school programs for children and teens	1.91
4U. Repairing neighborhood sidewalks and curbs	1.86
4CC. Maintaining healthy trees on city streets	1.80
4I. Maintaining senior programs	1.80
4X. Improving downtown Morgan Hill streets	1.79

Respondents Identified Broad Satisfaction with City Service Areas:

Survey respondents were also asked to indicate their satisfaction with categories of city services. The table below shows that they are most satisfied with a wide variety of services including “fire and 911 emergency response”, the “police patrols and crime fighting services”, and “recreation programs”.

	Mean
5B. Fire and 911 emergency response	1.33
5A. Police patrol and crime fighting services	1.12
5E. Recreation programs	0.97
5H. Seniors services and programs	0.96
5C. Water and sewer line repair and maintenance	0.94
5J. Maintaining a reliable local water supply	0.94
5D. Park maintenance	0.93
5G. Youth services and programs	0.79
5K. Water conservation	0.79
5L. Preparing for both droughts and floods	0.63
5F. Street maintenance and pothole repair	0.22
5I. Managing growth to maintain neighborhood character	0.12
5M. Availability of good-paying jobs	-0.02

Respondents Agree with the Focus, Context and Purpose of Key City Services -- Concern About Sewage Waste Spills is at the Top of the List:

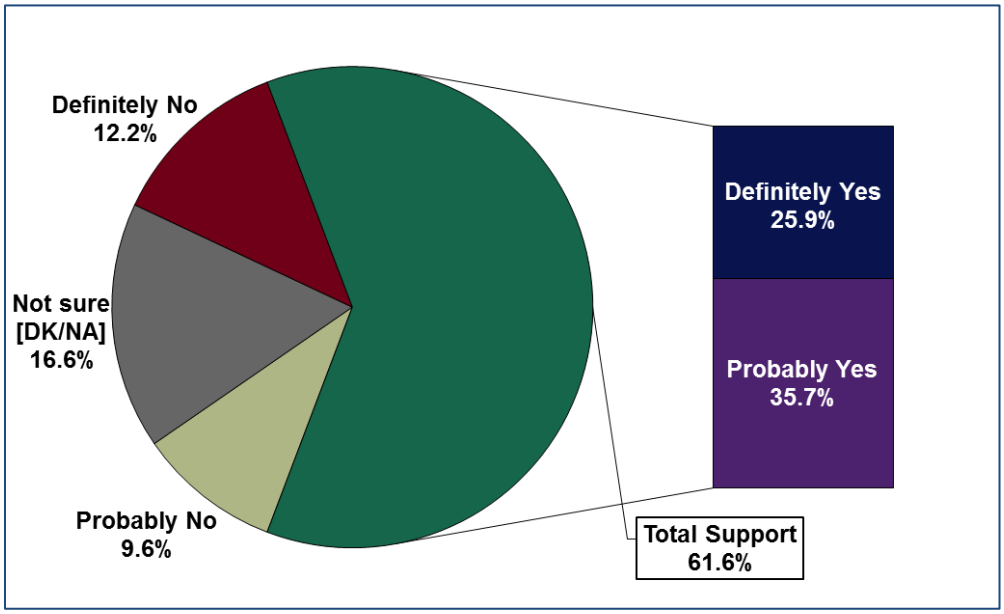
Respondents agreed with the focus and purpose of key services at a very high rate including among the top tier: “Any raw sewage waste that spills onto our land or leaks into ground water presents a potential health risk to our community”, “Maintenance and repairs to the city's water system are necessary to preserve the reliable local water supply our residents need for daily use and that firefighters need for emergencies”, “Well maintained city streets, roads, and parks help protect property values”, “Maintaining the current level of police service, including neighborhood patrols and crime prevention programs, is vital to protecting Morgan Hill's quality of life”, “It is fiscally responsible to maintain our streets, roads, and potholes now, so they don't deteriorate further and become more costly to fix in the future”, and “Well maintained city streets, roads, and parks are important to maintaining Morgan Hill's quality of life”.

	Mean
8H. Any raw sewage waste that spills onto our land or leaks into ground water presents a potential health risk to our community	1.61
8D. Maintenance and repairs to the city's water system are necessary to preserve the reliable local water supply our residents need for daily use and that firefighters need for emergencies	1.50
8E. Well maintained city streets, roads, and parks help protect property values	1.48
8B. Maintaining the current level of police service, including neighborhood patrols and crime prevention programs, is vital to protecting Morgan Hill's quality of life	1.44

8C. It is fiscally responsible to maintain our streets, roads, and potholes now, so they don't deteriorate further and become more costly to fix in the future	1.43
8Q. Well maintained city streets, roads, and parks are important to maintaining Morgan Hill's quality of life	1.42
8N. Sewer and water system maintenance, repairs and upgrades are necessary to ensure public health and safety	1.41
8G. Proper maintenance and repair of the city's water lines, pump stations, and storage tanks will help conserve water and protect our local water supply	1.41
8L. By fixing deteriorating streets and roads, it will reduce costly damage to our cars and better prevent accidents that threaten the safety of drivers, pedestrians and bicyclists	1.36
8F. Quality senior programs and youth programs are vital to Morgan Hill's quality of life	1.24
8S. Programs that retain, attract and help expand businesses in town are important to creating jobs and a vibrant local economy	1.19
8K. We must preserve our local industrial land to protect our economic vitality and create local jobs	1.17
8O. Street improvements are needed now, before costs escalate and they become more expensive to repair	1.12
8R. After school programs for children and youth help keep kids out of trouble and away from gangs and drugs	1.08
8I. Unfortunately, our local streets and roads have been slowly deteriorating. Additional funds are needed to fix our streets and repair potholes	0.70
8J. Growth is out of control. We should enact an immediate moratorium on development city wide>	0.61
8P. Morgan Hill has one of the best growth management programs in the country that requires developers pay for impacts in their project area and also contribute funds for community-wide quality of life improvements	0.53
8A. The City has been very fiscally responsible, balancing city budgets during the recession, but potential state mandates and money grabs threaten Morgan Hill's long-term financial viability	0.46

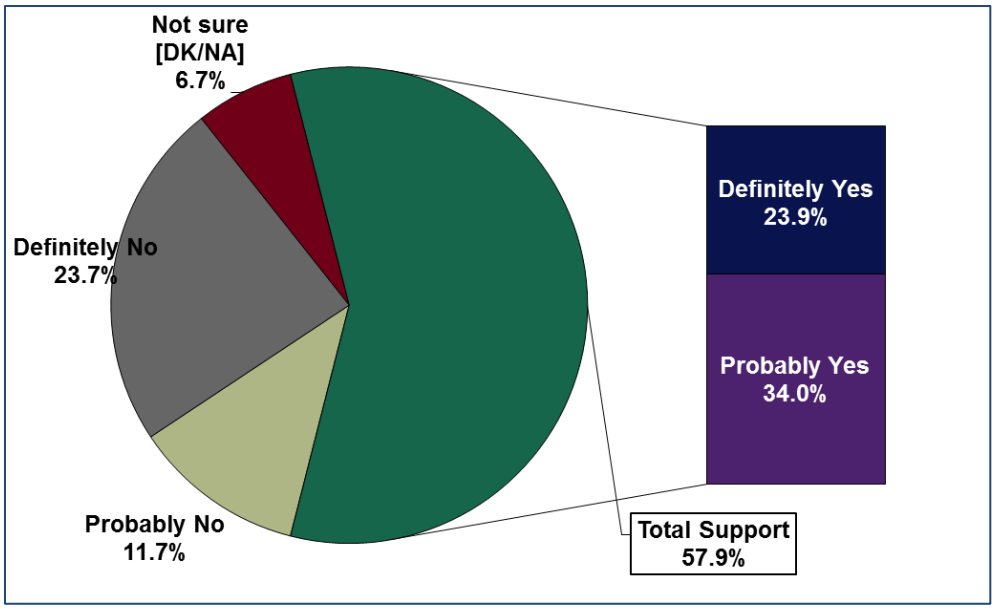
The Survey Results Indicate Potential Support for a Measure Extending and Updating the Residential Development Control System:

After hearing a summary of a measure to extend the *Residential Development Control System (RDCS)*, 62% of likely November 2016 voters indicated support, which is above the simple majority (50% plus one) threshold necessary for passage of this type of measure.



The Survey Results Indicate Potential Support for a Measure to Provide Funding to Maintain City Services.

After hearing a summary of a measure to provide funding to maintain local city services, 58% of likely November 2016 voters indicated support, which is above the simple majority (50% plus one) threshold necessary for passage of this type of measure.



Summary:

Residents in the City of Morgan Hill are highly satisfied with the quality of life the City provides.

Specifically, 90% of respondents rated Morgan Hill's quality of life as "excellent" or "good". And, respondents were very satisfied with the job the City is doing to provide services.

The conceptual test of a measure to provide funding to maintain city services shows viability with 58% YES—at a simple majority level.